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Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2007

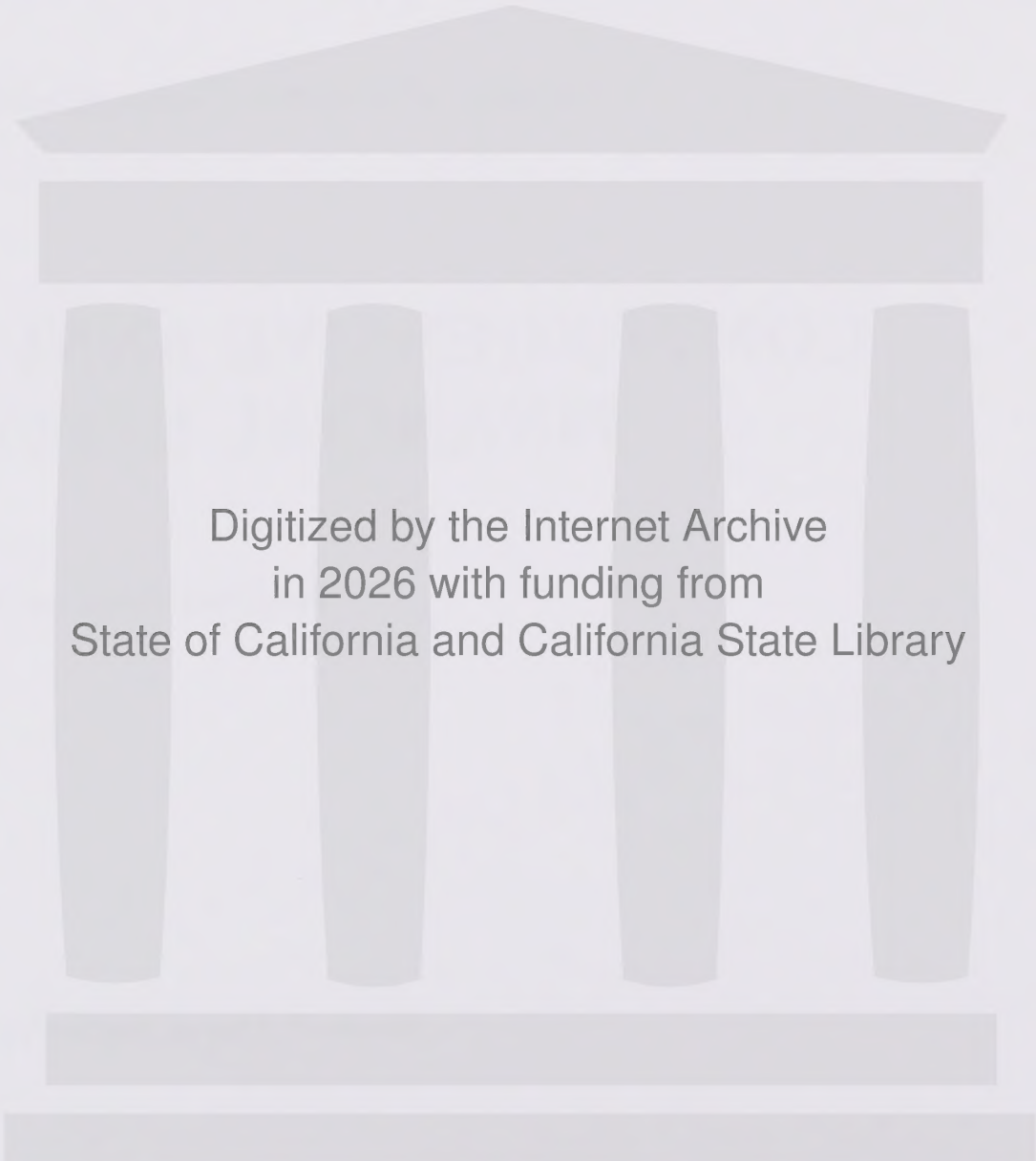
Stephen J. Ybarra
Auditor-Controller

County of Contra Costa, California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2007

Stephen J. Ybarra, Auditor-Controller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COUNTY OF CONTRA COSTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

INTRODUCTORY SECTION

Contra Costa County

Office of
COUNTY AUDITOR-CONTROLLER

625 Court Street
Martinez, California 94553-1282
Telephone (925) 646-2181
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Stephen J. Ybarra
Auditor-Controller

Elizabeth A. Verigin
Assistant Auditor-Controller

December 28, 2007

Members of the Board of Supervisors and Citizens of Contra Costa County:

The Comprehensive Annual Financial Report (CAFR) of the County of Contra Costa for fiscal year 2006-07 is presented in compliance with the California Government Code Sections 25250 and 25253. The Office of the County Auditor-Controller, which is responsible for both the accuracy of the presented data and the completeness and fairness of its presentation, including all disclosures, prepared this report. We believe the data, as presented, is accurate in all material respects, presented in a manner designed to fairly set forth the financial position and changes in financial position of the county and its various funds, and includes all disclosures necessary to enable the reader to gain maximum understanding of the county's financial affairs.

Management of Contra Costa County is responsible for establishing and maintaining a comprehensive system of internal controls to ensure that the assets of the county are protected from loss, theft, or misuse, and that accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that those objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgment by management.

For over 60 years, the policy of the county has been to require an annual audit of the financial statements of the county by independent, licensed certified public accountants. The Board of Supervisors selected the firm of Caporicci & Larson, Certified Public Accountants, to perform the fiscal year 2006-2007 audit.

The independent auditor concluded that the county's financial statements for the fiscal year ended June 30, 2007, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of the CAFR.

The CAFR represents the culmination of all budgeting and accounting activities engaged in by management during the year, covering all of its financial transactions. The accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A),

which is located after the independent auditor's report. The letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it.

The CAFR is organized into three sections:

- *The Introductory Section* is intended to familiarize the reader with the organizational structure of the county, the nature and scope of the services it provides, and the specifics of its legal operating environment.

- *The Financial Section* includes the independent auditor's report on the basic financial statements, MD&A, audited basic financial statements, note disclosures and supporting statements, and schedules necessary to provide readers with a comprehensive understanding of the county's financial activities of the past fiscal year.

- *The Statistical Section* provides the reader with additional historic perspective, context, and detail to assist in using the information in the financial statements. It provides information in five categories: financial trends; revenue capacity; debt capacity; demographic and economic information; and operating indicators.

Profile of the Government

Contra Costa County was incorporated in 1850 as one of the original 27 counties of the state. It is one of nine counties in the San Francisco-Oakland Bay Area. The county covers about 733 square miles: the western and northern shorelines are highly industrialized, while the interior sections are suburban/residential, commercial, and light industrial.

The county has a general law form of government. A five member Board of Supervisors, each elected to four-year terms, serves as the legislative body. A County Administrative Officer is appointed by the Board and runs the day-to-day business.

The county provides the full-range of services contemplated by statute. These services include public protection, highways and streets, sanitation, health and social services, planning and zoning, and general administrative services.

The county reporting entity includes all the financial balances and activities of the primary government as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable or other organizations for which the nature and significance of the relationship with the primary government are such that exclusion would make the enclosed financial statements misleading or incomplete. For further information on component units, see Note 1.A in the "Notes to the Basic Financial Statements" in this report.

The reporting entity excludes certain separate legal entities that may have "Contra Costa" in their title, or that are required to keep their funds in the County Treasury, or receive their tax apportionment from the county. Examples are school districts, the community college districts, cities, city redevelopment agencies, the Bay Area Rapid Transit District, the Metropolitan Transportation Commission, and a variety of special purpose districts for cemeteries, mosquito abatement, recreation and parks, etc. Those entities are autonomous organizations that

handle their own fiscal affairs and for which the Board of Supervisors has no oversight responsibility. Accordingly, they are not included in the accompanying basic financial statements, except for their assets, principally cash and investments, which are held by the County Treasurer.

The annual budget serves as the foundation of the county's financial planning and control. The Board of Supervisors is required to adopt a proposed budget before the start of the fiscal year. The budget is prepared by fund, function (e.g. public protection), department (e.g. Sheriff), and object level (e.g. salary and benefits). Department heads, with the approval of the County Administrator, may make transfers within the department; however, transfers between departments require the approval of the Board of Supervisors. For further information on the budget, see the "Note to Required Supplementary Information" in the Required Supplementary Information (other than MD&A) section of this report.

Local Economy

The county continues to enjoy a relatively strong local economy. Long-term population and job growth projections remain positive. As of January 1, 2007, the county's population was estimated at 1,042,341. This represents an increase of approximately 4.8% compared to the county's population as of January 1, 2003. A study prepared by the Association of Bay Area Governments projects a 36.0 percent increase in population between 2000 and 2040.

Between July 2006 and June 2007 the county's jobless rate increased from 4.5 percent to 4.7 percent, which was significantly below the statewide averages of 4.9 percent and 5.4 percent, respectively (not seasonally adjusted). The county's economy is very diverse: major industries include petroleum refining, steel manufacturing, chemicals, electronic equipment, paper products, and utilities. The county consistently ranks as a leader in both per capita and household income.

Population	
2003	994,908
2004	1,007,606
2005	1,020,898
2006	1,030,732
2007	1,042,341

Median Price of Existing Homes Sold		
2004	August	$455,000
2005	August	$550,000
2006	August	$578,000
2007	August	$575,000

Retail Sales (Thousands)	
2003	$12,223,295
2004	$12,990,538
2005	$13,480,075
2006	$14,015,790

Retail Sales Per Capita	
2003	$12,285
2004	$12,893
2005	$13,204
2006	$13,598

Long-term Financial Planning

The County Administrator is committed to prudent fiscal management and engages in targeted long-term financial planning, when possible and appropriate.

Established a Facilities Life-Cycle Investment Program and a Facilities Condition Assessment Action Plan

The Facilities Life-Cycle Investment Program and Facilities Condition Assessment Action Plan provides for condition assessments of approximately 90 buildings comprised of approximately three million square feet. The assessment is expected to result in a comprehensive database that catalogs current deferred maintenance and future capital renewal costs for county buildings. The database will describe and assess the condition of building systems (roof, mechanical, electrical, plumbing, structural, etc.) facility deficiencies, recommended corrective action, estimated cost to correct deficiencies, and priorities of the recommended corrective actions. This information will allow staff to perform the following:

- Establish credible information for qualified decision-making and budgeting.
- Prioritize short-term maintenance plans and identify long-term strategies.
- Identify and estimate the cost of current deferred maintenance backlog.
- Define equity and parity issues to guide equitable funding decisions.
- Forecast future expenditures.

Established a Task Force to manage the County's long-term liability for Other Post Employment Benefits (OPEB)

The county established a task force to manage the county's long-term liability for Other Post-Employment Benefits (OPEB). The Board of Supervisors established goals to guide the county's OPEB work that include the following: 1) comply with Governmental Accounting Standards Board (GASB) Statement 45; and 2) adopt an OPEB financing plan that balances the requirement to provide public services with competitive health care benefits for county employees during their employment and retirement.

To achieve the Board's goals, the OPEB Task Force utilized the breadth of expertise available within the county and through professional contracts in each of the following areas: financial, audit, budgetary, personnel, labor relations, benefits, and legal. The importance of incorporating the perspective of all stakeholders also is being addressed.

The Board of Supervisors, through the work of the Task Force, either has accomplished or set a timeline to accomplish the following tasks.

- Ordered the GASB 45 required comprehensive calculation of liability (spring 2006) and established an OPEB Task Force with county representation and contracted specialists (fall 2006).

- Received OPEB Task Force presentation on OPEB challenge, focusing on the magnitude and possible changes to the liability (March 2007).
- Directed OPEB Task Force to report on funding targets including evaluating and calculating different targeted funding scenarios and the fiscal, budgetary, reporting, and programmatic impact scenarios under those funding levels (June 2007).
- Adopted an OPEB funding target of 40% of the total June 2007 estimated OPEB liability and identified $588 million in future resources to be used towards the OPEB liability.
- Researching benefit plan designs including: researching detailed demographics of the current active employee population as well as retirees; researching best practices; making comparisons to other municipalities, public sector, and corporations in the area; and considering changes to benefit plan design, administration, cost sharing, and funding mechanisms (May 2007-August 2007).
- Directed the County Administrator to begin pre-negotiation meetings with county labor representatives regarding the development of possible plans and models for benefit reform (June 2007) and develop and deliver 'brown bag' education campaign for county employees, labor organizations, and the public (beginning September 2007);

Relevant Financial Policies

The Board of Supervisors adopted a comprehensive set of financial management policies, as described below.

Reserves Policy. The Board adopted a General Fund Reserves Policy in January of 2006. The Reserves Policy requires the county to maintain a General Fund balance equal to a minimum of 10% of General Fund revenues and an unreserved balance equal to a minimum of 5% of General Fund revenues. Reserves exceeding the minimum are applied only to one-time uses, such as additional reserves or capital projects up to an amount equal to 2% of General Fund revenues. The reserves only can be used in emergencies and if accompanied by a Board-approved plan to restore reserves to the target levels. The county's audited financial report for Fiscal Year 2006-07 confirms compliance with the Reserves Policy, as the total General Fund balance was 11.6% of General Fund revenues and the unreserved portion was 9.1%.

Budget Policy. The Board adopted a Budget Policy in November 2006. The objectives of the Budget Policy are to establish best practices for the county's budget process and to establish a requirement for preparation of multi-year budget projections. Among other things, the Budget Policy requires the adoption of structurally balanced budgets and requires mid-year updates on budget status by department, with corrective actions presented to the Board within 30 days for any cost centers over budget.

Debt Management Policy. In December 2006, the Board adopted a Debt Management Policy that established formal guidelines for the issuance and management of various types of debt instruments and other financial obligations. The Debt Management Policy provides that the county will undertake multi-year capital planning and sets forth guidelines for the term of debt issues, refunding savings targets, and other structural debt features.

The Debt Management Policy establishes a Debt Affordability Committee (DAC) to establish the viability of any proposed debt-financing, to monitor and evaluate the county's performance against various debt ratio benchmarks, and annually prepare a comprehensive debt capacity report for the Board of Supervisor's Finance Committee. The first annual report is expected in late 2007. Specific statistical measures are

monitored by the DAC and compared to those of other counties, rating agency standards, and the county's historical ratios.

Major Initiatives

Recovery Plan for the Doctors Medical Center- The Doctors Medical Center, operated by the West Contra Costa independently governed Health Care District (Health Care District), is a 247 bed facility located in the western portion of the county, which has a population of approximately 250,000, a significant portion of whom are low income. Doctors Medical Center provides medical services to the public and is a critical component of the County Emergency Medical Services system.

In September 2006, the Health Care District declared a financial emergency and authorized the filing of a bankruptcy petition in an effort to keep the hospital open. On September 19, 2006 and September 26, 2006, the Board of Supervisors received updates from the Health Care District regarding possible closure of the hospital. On October 1, 2006, the Health Care District filed a voluntary petition for Chapter 9 bankruptcy protection. On October 31, 2006, the Board of Supervisors approved the general structure of a recovery plan (the "Recovery Plan") to maintain services at Doctors Medical Center. The participants in the Recovery Plan are Contra Costa County, the Health Care District, the physician groups that independently admit patients to the hospital, the state, and the bankruptcy court, all of whom approved the general structure.

The Recovery Plan, in part, includes: (i) execution of a joint powers financing agreement between the county and Doctors Medical Center to establish a joint management board on which the county will have majority representation; (ii) execution of an agreement between the county and the Health Care District for the temporary transfer of installments from the County General Fund through June 30, 2007 of up to $10 million to the state's General Fund (funds will be matched by the federal government and used by the state to provide enhanced Medi-Cal payments to Doctors Medical Center; and (iii) annual reallocation of approximately $2.5 million of *ad valorem* property tax revenues that would otherwise be allocated to the Health Care District in each of four successive years commencing with the Fiscal Year beginning July 1, 2007 to the county to repay the county's transfer discussed in (ii) above.

On February 5, 2007, the Health Care District's Board of Directors unanimously approved the creation of a Joint Powers Authority (JPA). On February 6, 2007, the Board of Supervisors unanimously approved the creation of a JPA. The county is permitted to end its participation in the JPA at any time with 90 days notice.

The Doctors Medical Center Management Authority (Medical Center JPA) was organized pursuant to a Joint Exercise of Powers Agreement entered into in February 2007, between the county and the Healthcare District. A seven-member Board of Directors comprised of two members from the Healthcare District, one affiliated physician representing the Doctors Medical Center medical staff, and four members representing the county governs the Medical Center JPA. The county members of the Medical Center JPA are the Director of the County Health Services, the Chief Financial Officer of the County Health Services, and two members from the Board of Supervisors. The Medical JPA is working with Wellspring Management Services, LLC, formerly known as Speltz & Wells LLC and wholly owned by Huron Consulting Group, to develop a profitability analysis of existing services and potential operating models to reduce annual operating losses.

Each participant executed the Recovery Plan. If the Recovery Plan is not successful and Doctors Medical Center is closed, demand at the county public hospital and other hospitals in the area are expected to increase. The county is unable to predict the eventual impact that a future closure of Doctors Medical Center, if it occurs, would have on the financial condition of the county.

As of June 30, 2007, the County had transferred all $10 million to the state's General Fund. Three million was transferred on November 3, 2006, $3 million on December 5, 2006, and $4 million on February 15, 2007.

Internet Bid system (e-outreach) - Implemented an internet-based county Outreach and electronic bidding process for all commodity purchases. Implemented mid year, the number of businesses informed of contract opportunites; grew from 1,940 in the first 6 months to 7,230 in the next 6 months, a 270% increase. There were 112 formal on-line solicitations for commodities resulting in a savings of over $1.36 million.

Business Property Statements - Developed and implemented a computer application that enables electronic filing of Business Property Statements.

Library Self Service - Increased self-service opportunities including: checkout and return of library materials; return of library materials; credit and debit card transactions to accept donations; telephone renewals and notification of holds and overdue materials; email notices about upcoming due dates, holds, and overdue materials; and online registartion of Library e-Cards, email notices and e-newsletters.

E-bidding - Processed 112 formal on-line solicitations for commodites resulting in a savings of over $1.36 million.

Energy Efficiency - Completed 39 projects that will reduce the county's annual energy costs by an estimated $951,100 per year and CO_2 emissions by 3.7 million pounds. The $4.5 million cost of the projects was offset by $805,000 in incentives and rebates.

Ship Channels and Levees - 1) Obtained $3.916 million in federal funding for ship channel navigation projects (maintenance and deepening); 2) $500,000 to continue planning and implementation of a state/federal long-term management strategy for the Delta to beneficially reuse dredged materials for levee rehabilitation, and to streamline the permitting process; and 3) $1 million for levee rehabilitation projects in the Delta.

East Contra Costa County Habitat Conservation Plan (HCP) - Awarded $15.47 million in grants including $13.651 million in two separate grants from the U.S Fish and Wildlife Service for land acquisition $991,000 for land acquisition from the U.S. Bureaus of Reclamation; $750,000 for land acquisition and restoration from California Department of Water Resources; and $80,000 for staff time and studies from the California Department of Fish and Game. The Community Development Department will administer the grants.

Road Improvements - Awarded $3,708,000 in grant funding, while spending only $250,000 in preparing projects for grant submittals, a return of approximately 15 to 1.

Law Enforcement Teams - Awarded $330,000 from the State Office of Emergency Services (OES) for the California Multi-jurisdictional Methamphetamine Enforcement Team and $100,110 for the Sexual Assualt Felony Enforcement Team (SAFE Team).

Health Coverage - Received $46 million for three years to expand health coverage to uninsured Contra Costa County residents (state pass through of federal funds for the Health Care Coverage inititaive).

Awards and Acknowledgements

The county received an Award for Excellence in financial reporting for its year-end financial reports for the fiscal year ended June 30, 2006. This Award for Achieving Excellence in Financial Reporting was presented by the California State Controller to the county for achieving the highest quality in California government accounting and financial reporting.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Contra Costa County for its comprehensive annual financial report for the fiscal year ended June 30, 2006. This was the twenty-fifth consecutive year the county has received this prestigious award. In order to be awarded a Certificate of Achievement, the county must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid only for a period of one year. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Office of the Auditor-Controller. I would like to express my appreciation to all members of the Office who assisted and contributed to its preparation. I would also like to thank the members of the Board of Supervisors and the County Administrator for conducting the financial operations of the county in a responsible and progressive manner.

Respectfully submitted,

Stephen J. Ybarra

Auditor-Controller

COUNTY OF CONTRA COSTA

PUBLIC OFFICIALS

June 30, 2007

ELECTED OFFICIALS

Supervisor, District 1	John M. Gioia
Supervisor, District 2	Gayle B. Uilkema
Supervisor, District 3	Mary K. Piepho
Supervisor, District 4	Susan A. Bonilla
Supervisor, District 5	Federal D. Glover
Assessor	Gus S. Kramer
Auditor-Controller	Stephen J. Ybarra
Clerk-Recorder	Stephen L. Weir
District Attorney-Public Administrator	Robert J. Kochly
Sheriff-Coroner	Warren E. Rupf
Treasurer-Tax Collector	William J. Pollacek

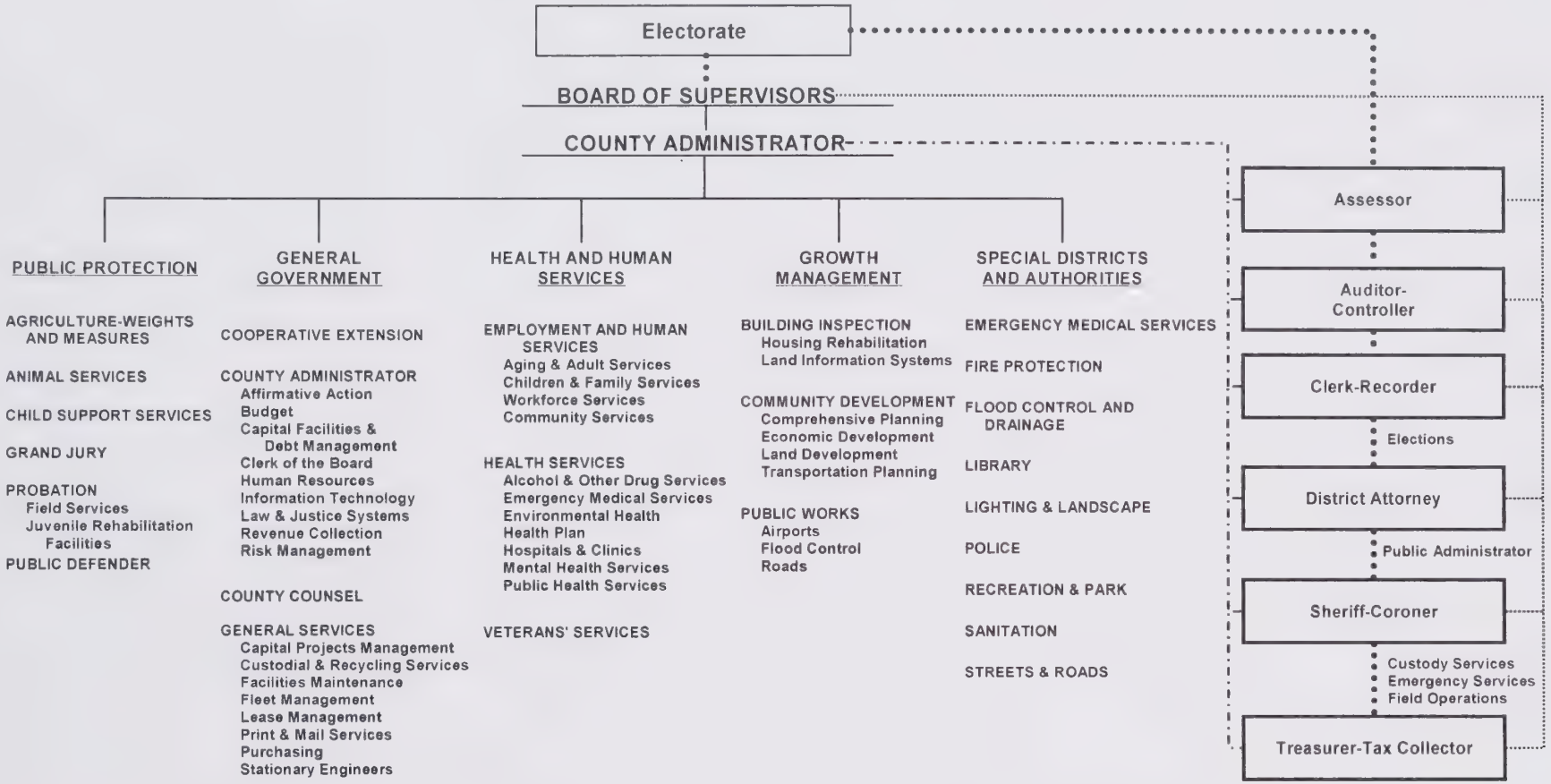
APPOINTED OFFICIALS

County Administrator	John Cullen
County Counsel	Silvano Marchesi
County Librarian	Anne Cain
County Probation Officer	Lionel Chatman
Director of Animal Services	Glenn Howell
Director of Building Inspection	Carlos Baltodano
Director of Child Support Services	Linda Dippel
Director of Community Development	Dennis Barry
Director of Community Services	Pat Stroh
Director of Cooperative Extension	Shelley Murdock
Director of Employment and Human Services	Joe Valentine
Director of General Services	Michael Lango
Director of Health Services	William Walker, MD
Director of Human Resources	Lori Gentles
Director of Public Works	Maurice Shiu
Agricultural Commissioner-Director of Weights and Measures	Edward P. Meyer
Chief Information Officer	Tom Whittington
Public Defender	David Coleman III
County Veterans' Services Officer	Gary D. Villalba
Contra Costa County Fire Protection District	Chief Keith Richter
Crockett-Carquinez Fire Protection District	Chief Jerry Littleton, Jr.
East Contra Costa County Fire Protection District (Interim)	Chief Bill Weisgerber

AFFILIATED ORGANIZATIONS

Administrator, Contra Costa County Employees' Retirement Association	Marilyn Leedom
Executive Director, Housing Authority of the County of Contra Costa	Joseph Villarreal
President, Director, County of Contra Costa Public Facilities Corporation	John E. Whalen
Executive Director, First 5 Contra Costa Children and Families Commission	Sean Casey
Executive Director, County of Contra Costa Public Financing Authority	John Cullen
Executive Director, Contra Costa County Redevelopment Agency	John Cullen
Executive Director, In-Home Supportive Services Public Authority	John Cottrell

Organizational Chart of Contra Costa County



- ••••••• Elected by the Public
- ..... Elected Officials: Statutorily-Required Board Administrative and Budget Oversight
- ——— Administrative and Budget Direction
- -·-·-·- Administrative Coordination and Budget Oversight

AFFILIATED ORGANIZATIONS

EMPLOYEES' RETIREMENT ASSOCIATION

HOUSING AUTHORITY (1)

PUBLIC FACILITIES CORPORATION

REDEVELOPMENT AGENCY (1)

PUBLIC FINANCING AUTHORITY (1)

FIRST 5 CONTRA COSTA CHILDREN & FAMILIES COMMISSION

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY (1)

1. Authority/Agency Board is the Board of Supervisors

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Contra Costa

California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Charles S. Cox

President

Jeffrey L. Esser

Executive Director

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

FINANCIAL SECTION

C&L
Caporicci & Larson
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Honorable Board of Supervisors
of the County of Contra Costa
Martinez, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, a discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Contra Costa, California (County), as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the following component units:

- Contra Costa County Employees' Retirement Association, which represents $5,955,993,000 of assets of the Fiduciary Funds.
- Housing Authority of the County of Contra Costa, which represents $72,973,000 of assets and $92,889,000 of revenue of the business-type activities. The Housing Authority included the following blended component units:
  - Casa Del Rio Senior Housing Associates, L.P.
  - De Anza Gardens, Limited Partnership
  - De Anza Housing, Corporation
- FIRST 5 Contra Costa Children and Families First Commission, which represents $56,484,000 of assets and $15,091,000 of revenues. (Discrete component unit).

Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the basic financial statements of the County, insofar as it related to those amounts included for the above mentioned component units in the accompanying basic financial statements of the County, is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, a discrete component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2007 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Required Supplementary Information, such as Management's Discussion and Analysis, budgetary comparison information and other information as listed in the table of contents are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information is presented for purpose of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section and Statistical Tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Caporicci & Larson

Oakland, California
December 28, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the County of Contra Costa's Comprehensive Annual Financial Report presents a discussion and analysis of the financial activities of the county for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we furnished in our Letter to the Board of Supervisors and Citizens of the County.

Financial Highlights

- The government-wide assets of the county exceeded its liabilities at the close of fiscal year 2006-2007 by $1,020,294,000 (net assets), a 3.7 percent increase from the prior year. Of this amount, $477,515,000 was invested in capital assets, net of related debt, a decrease of (4.7) percent. Of the remaining net assets, $420,325,000 was restricted for specific purposes (restricted net assets), an increase of 29.9 percent, and $122,454,000 was available to meet the county's ongoing obligations to its citizens and creditors (unrestricted net assets), an increase of 23.2 percent.

- As of June 30, 2007, the county's governmental funds reported, in the fund financial statements, ending fund balances of $586,506,000, an increase of 26.6 percent from the prior year. Of this total amount, $408,290,000 (69.6%), was unreserved fund balance.

- As of June 30, 2007, unreserved fund balance for the General Fund was $116,113,000 or 9.1 percent of total General Fund revenues of $1,277,830,000.

- Net assets of the internal service funds (self-insurance funds) was a surplus of $8,423,000, an increase of $30,033,000 from the prior year.

- The county's total debt increased by $47,326,000 ((4.2)%) during fiscal year 2006-2007. The increase was primarily due to the issuance of the 2007 Series A Lease Revenue Bond ($122,065,000), 2007 Series A and B Tax Allocation Bonds ($104,370,000) by the Redevelopment Agency used to refinance existing debt, Sanitation District Number 5 Note Payable ($550,000) and the Housing Authority, also issued additional debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the county's basic financial statements. The county's basic financial statements are comprised of three parts as follows: (1) **government-wide** financial statements; (2) **fund** financial statements; and (3) **notes** to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the county's finances in a manner similar to a private-sector business.

The **statement of net assets** presents information on all of the county's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The **statement of activities** presents information showing how the county's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that only will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

Both of the government-wide financial statements distinguish functions of the county that principally are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government, public protection, health and sanitation, public assistance, education, public ways and facilities, and recreation and culture. The business-type activities of the county include the County Hospital, Airport, Housing Authority, Sheriff Law Enforcement Training Center, Major Risk Medical Insurance, Health Maintenance Organization Medi-Cal Plan and Health Maintenance Organization Commercial Plan.

Fund Financial Statements

The fund financial statements report groupings of related accounts and are used to maintain control over resources that have been segregated for specific activities and objectives. The county, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the county can be divided into three categories as follows: (1) **governmental** funds, (2) **proprietary** funds, and (3) **fiduciary** funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of resources that are available for spending as well as on balances of resources that are available for spending at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the county's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The county maintains 28 individual governmental funds (e.g. general fund, special revenue funds, debt service funds, capital projects funds and permanent fund) for reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and

changes in fund balances for the General Fund, Contra Costa County Fire Protection District Special Revenue Fund, Land Development Special Revenue Fund and County Pension Bond Debt Service Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of those nonmajor governmental funds is provided in the form of combining statements and schedules elsewhere in this report.

The county adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds used by the county are of two different types as follows: (1) enterprise funds, and (2) internal service funds. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. Information is presented separately in the enterprise funds sections of the proprietary fund statement of net assets and in the proprietary fund statement of revenues, expenses, and changes in net assets for the County Hospital Enterprise Fund and Housing Authority Enterprise Fund, which are considered to be major funds. Data from the other enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of those nonmajor enterprise funds is provided in the form of combining statements and schedules elsewhere in this report.

- **Internal service funds** are used to accumulate and allocate costs internally among the county's various functions. The county uses internal service funds to account for its administrative costs and payment of claims for its various insurance programs to protect county assets and employees. The internal service funds are allocated between the governmental functions and business-type activities in the government-wide financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds are used to account for resources held for the benefit of entities legally separate from the county and individuals, which are not part of the reporting entity. The Contra Costa County Employees' Retirement Association (CCCERA) pension plan, the county's investment trust fund, private-purpose trust fund, and agency funds are reported under fiduciary funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the county's major governmental funds budget and actual comparisons. Progress in funding its obligation to provide pension benefits to employees is included in the CCCERA report.

Combining Statements and Schedules

The combining statements and schedules referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information (other than MD&A).

Component Units

The blended component units, as described in Note 1.A in the "Notes to the Basic Financial Statements," are included in all three parts of the county's basic financial statements. The county and its blended component units constitute the primary government. In addition to the blended component units, the government-wide financial statements and the notes to the basic financial statements also include the discretely presented component unit described in Note 1.A in the "Notes to the Basic Financial Statements."

GOVERNMENT-WIDE FINANCIAL ANALYSIS

COUNTY'S NET ASSETS
June 30, 2007
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease) Percent Change
	2007	2006	2007	2006	2007	2006	
Assets:							
Current and other assets	$ 1,669,157	1,560,575	132,801	135,950	1,801,958	1,696,525	6.2 %
Capital assets	724,547	703,929	214,640	217,466	939,187	921,395	1.9
Total assets	2,393,704	2,264,504	347,441	353,416	2,741,145	2,617,920	4.7 %
Liabilities:							
Current and other liabilities	318,912	271,882	72,364	78,545	391,276	350,427	11.7 %
Long-term liabilities	1,153,010	1,110,163	176,565	173,415	1,329,575	1,283,578	3.6
Total liabilities	1,471,922	1,382,045	248,929	251,960	1,720,851	1,634,005	5.3 %
Net Assets:							
Invested in capital assets, net of related debt	415,045	436,879	62,470	63,957	477,515	500,836	(4.7) %
Restricted	401,842	309,387	18,483	14,242	420,325	323,629	29.9
Unrestricted	104,895	136,193	17,559	23,257	122,454	159,450	(23.2)
Total net assets	$ 921,782	882,459	98,512	101,456	1,020,294	983,915	3.7 %

Analysis of Government-Wide Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The county's total assets exceeded total liabilities by $1,020,294,000 at June 30, 2007. The largest portion of the county's total net assets, $477,515,000 (46.8%), reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related debt used to acquire those assets. The county uses capital

assets to provide services to citizens; consequently, those assets are not available for future-spending. Although the county's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate those liabilities. An additional portion of the county's total net assets, $420,325,000 (41.2%) percent, represents resources that are subject to external restrictions on usage. The major restriction on net assets, $347,373,000, is for legally segregated taxes, grants, and fees.

The remaining balance of total net assets, $122,454,000 (12.0%) percent, is unrestricted and may be used to meet the county's ongoing obligations to citizens and creditors. Unrestricted net assets of governmental activities increased primarily due to the Board of Supervisor's desire to improve the county's financial stability through stringent cost controls.

Unrestricted net assets of business-type activities decreased primarily due to losses in the provision of health care services (HMO Medi-Cal) and the Housing Authority.

COUNTY'S CHANGE IN NET ASSETS

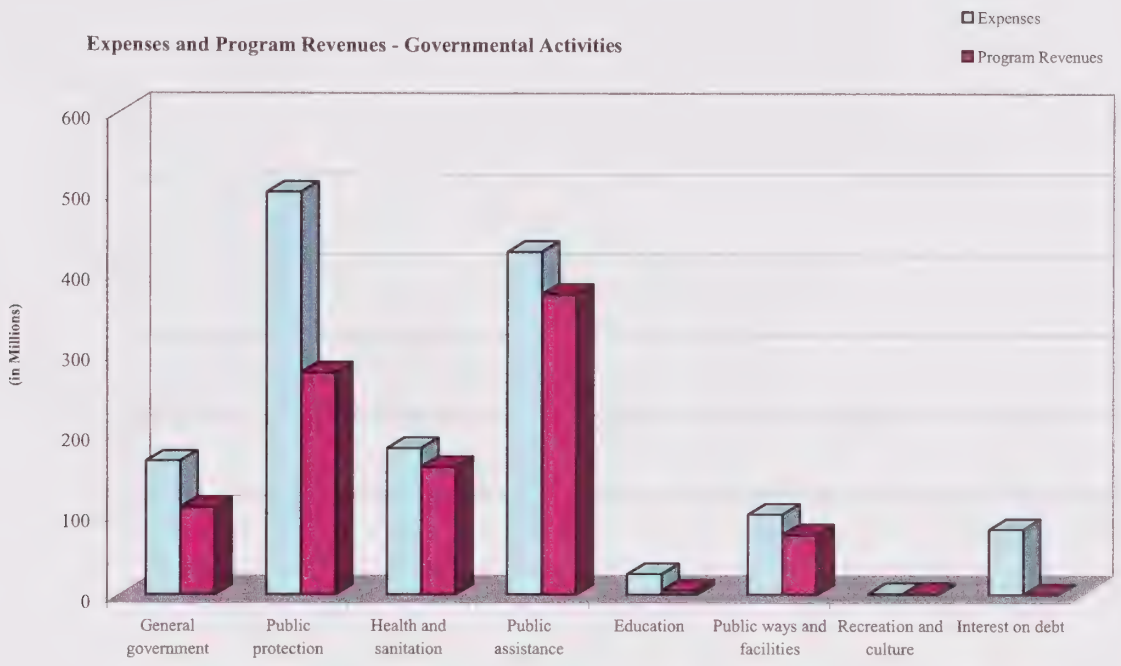
For the Fiscal Year Ended June 30, 2007
(In Thousands)

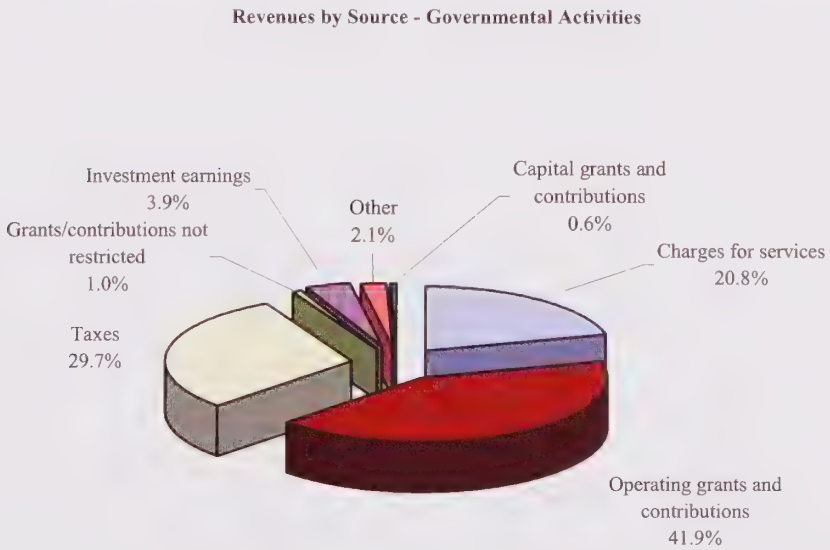
	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease) Percent Change
	2007	2006	2007	2006	2007	2006	
Revenues:							
Program revenues:							
Charges for services	$ 327,458	325,274	399,467	390,136	726,925	715,410	1.6 %
Operating grants and contributions	660,371	631,510	134,915	125,763	795,286	757,273	5.0
Capital grants and contributions	8,970	5,726	8,866	7,945	17,836	13,671	30.5
General revenues:							
Taxes	467,663	414,602			467,663	414,602	12.8
Grants/contributions not restricted	16,120	20,326			16,120	20,326	(20.7)
Investment earnings	62,024	48,254	386	49	62,410	48,303	29.2
Other	32,661	33,048	1,082	1,841	33,743	34,889	(3.3)
Total revenues	1,575,267	1,478,740	544,716	525,734	2,119,983	2,004,474	5.8 %
Expenses:							
General government	165,911	166,470			165,911	166,470	(0.3) %
Public protection	500,698	451,053			500,698	451,053	11.0
Health and sanitation	181,922	185,966			181,922	185,966	(2.2)
Public assistance	426,503	396,538			426,503	396,538	7.6
Education	25,452	22,647			25,452	22,647	12.4
Public ways and facilities	99,630	76,561			99,630	76,561	30.1
Recreation and culture	1,298	1,425			1,298	1,425	(9.0)
Interest on debt	81,243	55,532			81,243	55,532	46.3
County Hospital			325,208	310,911	325,208	310,911	4.6
HMO Medi-Cal Plan			81,703	69,434	81,703	69,434	17.7
HMO Commercial			90,646	83,654	90,646	83,654	8.4
Airport			4,972	5,239	4,972	5,239	(5.1)
Housing Authority			97,278	97,351	97,278	97,351	(0.1)
Major Risk Medical Insurance			1,892	1,625	1,892	1,625	16.4
Sheriff Law Enforcement Training Center			1,504	1,319	1,504	1,319	13.9
Total expenses	1,482,657	1,356,192	603,203	569,533	2,085,860	1,925,725	8.3 %
Change in net assets before transfers and special item	92,610	122,548	(58,487)	(43,799)	34,123	78,749	(56.7)
Gain (loss) on sale of capital assets				(167)		(167)	99.4
Transfers	(53,287)	(38,631)	53,287	38,631			
Change in net assets	39,323	83,917	(5,200)	(5,335)	34,123	78,582	(56.6)
Net Assets, Beginning of Year	882,459	798,542	101,456	109,433	983,915	907,975	8.4
Adjustments to beginning net assets			2,256	(2,642)	2,256	(2,642)	
Net Assets, Beginning of Year, as Restated	882,459	798,542	103,712	106,791	986,171	905,333	
Net Assets, End of Year	$ 921,782	882,459	98,512	101,456	1,020,294	983,915	3.7 %

Analysis of the Changes in Government Wide Net Assets

The county's net assets increased by $34,123,000 during fiscal year 2006-2007. Generally, this resulted from the increase in revenues outpacing the increase in expenses. The changes are explained below in the governmental activities and business-type activities discussions.

Governmental Activities





Governmental activities increased the county's net assets by $39,323,000. The increase in net assets primarily is due to the county's continuation of a policy to rebuild fund balance reserve. This was accomplished through stringent expenditure controls, such as minimizing capital expenditures during the period.

Operating grants and contributions increased due to the improved financial condition of the state and its ability to increase funds flowing to the county.

Investment earnings revenue increased primarily due to the fiscal policy resulting in increased cash available for investment and an increase in the rate of return achieved an average yield of 5.14% for fiscal year 2006-2007.

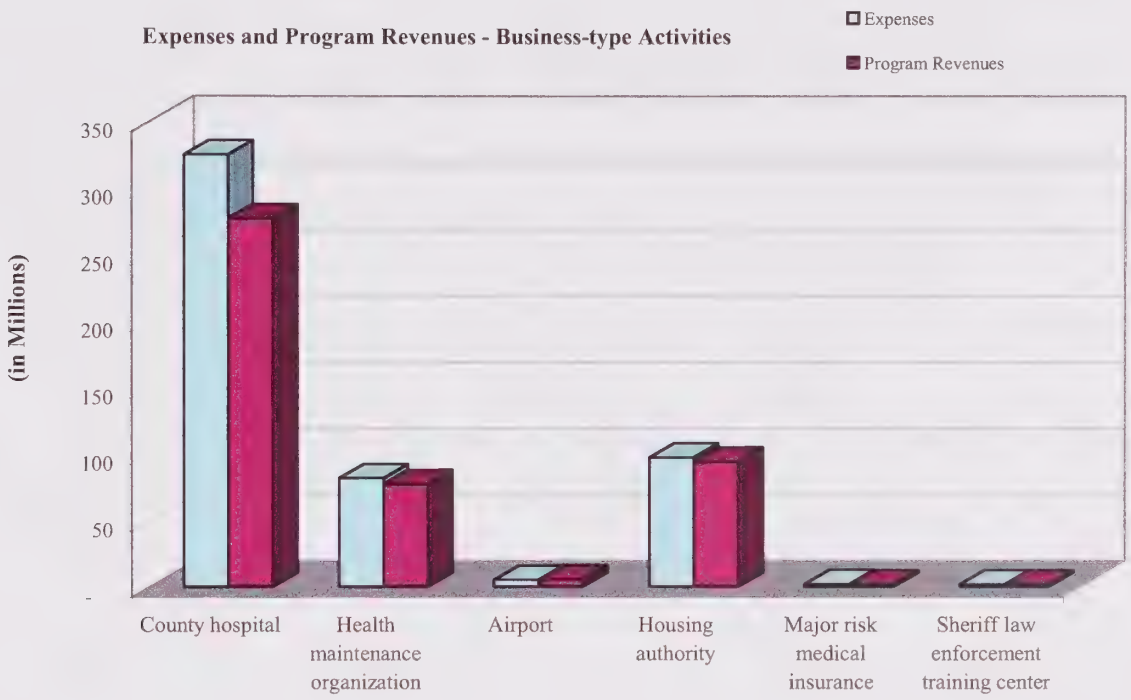
Taxes increased overall by $53,061,000 (12.8%). Property taxes increased by $51,100,000 (13.2%). This is due to the continuing strong real estate market during the period.

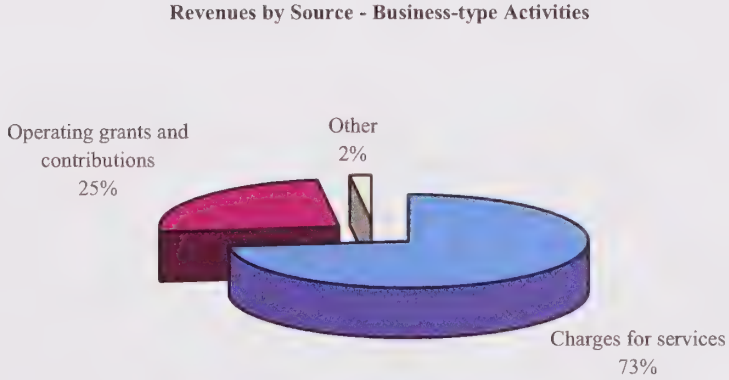
General government expenses, on the government-wide basis, decreased in fiscal year 2006-2007 by approximately $559,000. Public Protection increased by $49,645,000 (11%) primarily due to increase in salaries and benefits. See fund level detail for additional information.

Public Assistance increased by $29,965,000 (7.5%). Increases in allowed administrative services, including CalWin Program Support, Foster Care Aid, and Workforce Services were the major impacts.

Public ways and facilities expenses increased by $23,069,000 primarily due to increased construction activity on the State Route 4 and State Route 4 Bypass projects.

Business-type Activities





Business-type activities decreased the county's net assets by $5,200,000. Program expenses exceeded revenues for the County Hospital, Health Maintenance Organization, Housing Authority and Sheriff Law Enforcement Training Center.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is an analysis of the activities of the county's funds for fiscal year 2006-2007 as reported in the fund-basis financial statements.

Governmental Funds

The focus of the county's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful to assess the county's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the county include the general, special revenue, debt service, capital projects, and permanent funds.

As of June 30, 2007, the county's governmental funds reported combined ending fund balances of $586,506,000, an increase of $68,764,000 in comparison with the prior year. Approximately $408,290,000 (69.6%) of those fund balances constitutes unreserved fund balances that are available for spending at the county's discretion. The remainder of those fund balances is reserved to indicate that it is not available for new spending because it already is committed as follows: (1) for encumbrances - to liquidate remaining contracts and purchase orders $47,704,000; (2) to reflect advances to other funds and inventories $9,311,000; (3) for payment of debt service $33,306,000; (4) bond proceeds with restrictions $54,457,000, or (5) for miscellaneous other restricted purposes $33,438,000.

General Fund

The General Fund is the primary operating fund of the county. At June 30, 2007, the unreserved fund balance of the General Fund was $116,113,000, an increase of $16,739,000 in comparison to the prior year, while total fund balance was $149,116,000, an increase of $13,978,000 in comparison to the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 10.0 percent of total General Fund expenditures, while total fund balance represents 12.8 percent. For the prior year, these figures were 9.2 percent and 12.5 percent, respectively.

The assets and the unreserved fund balances of the General Fund increased due to the county's continued stringent cost controls with the goal to increase the county's financial stability.

Liabilities increased due to the issuance of the Tax and Revenue Anticipation Note (TRAN) ($110,000,000), increased Accounts Payable ($24,958,000) and increased Due to Other Funds ($21,890,000).

General Fund Revenues increased by $83,782,000 (7%) while expenditures increased $81,906,000 (7.6%)

Revenues

Intergovernmental, revenue from other governmental entities (Primary Federal Aid State) increased by $24,829,000 (4.3%), taxes increased by $30,802,000 (11.2%) and other revenue increased by $20,879,000 (24%).

The intergovernmental increases were primarily in the Public Assistance function. A significant increase also was in the General Government function for voting modernization and Help America Vote programs.

Expenditures

General Government expenditures increased $23,160,000 (16%). A major component was the increase in plant acquistion of $16,443,000.

Public Protection increased $24,981,000 (8%). The primary cause was increases in salaries and benefits and increased Homeland Security expenditures.

Public Ways and Facilities expenditures increased primarily due to continued Highway 4 construction.

Other Major Funds

CCC Fire Protection District Fund

The CCC Fire Protection Distrct provides fire and emergency medical services to nine cities and certain unincorporated areas in the county. The District's fund balance decreased by $1,869,000 (6%) during fiscal year 2006 – 2007.

Revenues, primarily property taxes, increased by $10,422,000 (12%) while expenditures, primarily salaries and benefits, increased by $13,391,000 (15.6%).

Land Development Fund

The Land Development fund provides growth related management activities of the Building Inspection Department, Public Works Department and the Community Development Department. The fund balance increased by $3,874,000 (13%) during fiscal year 2006 – 2007.

Revenues from Licenses, Permits and Franchise fees increased by $2,536,000 (14%) while revenues from Charges for Services decreased $2,733,000 (31%). Expenditures increased by $1,372,000 (4%).

Non-Major Funds

Capital Projects Funds had a significant increase in Fund Balance $26,599,000 due to the issuance of debt to fund scheduled projects.

Proprietary Funds

As mentioned earlier, the county's proprietary fund financial statements provide the same type of information found in the government-wide financial statements but in more detail.

Net assets at June 30, 2007, was $21,774,000 for the County Hospital Enterprise Fund, $49,098,000 for the Housing Authority Enterprise Fund, and $28,391,000 for the nonmajor enterprise funds. As a result of operations during the year, net assets of the County Hospital Enterprise Fund increased by $468,000, net assets of the Housing Authority Enterprise Fund decreased by ($2,024,000), and net assets of the nonmajor enterprise funds decreased by ($3,287,000). Additionally, the beginning net assets of the Housing Authority Enterprise Fund was increased by $2,256,000 due to a correction to the carrying value of depreciable assets.

Net assets of the internal service funds were $8,423,000. As a result of operations during the year, the net assets of the Workers' Compensation Insurance County General Internal Service Fund increased by $24,175,000, the net assets of the Workers' Compensation Insurance Fire Protection Internal Service Fund increased by $3,738,000, and the net assets of the other internal service funds increased by $2,120,000.

The decrease in the deficits for the Workers' Compensation Funds is a combination of increased cost control and increased revenue (charges to the departments).

GENERAL FUND BUDGETARY HIGHLIGHTS

The county's final budget differs from the original budget in that it contains carry-forward appropriations for various programs and projects and supplemental appropriations approved during the fiscal year. Total budgeted revenues were increased by $84,538,000 (6.9%) in the final budget. Actual revenues were less than final budgeted revenues by $26,075,000 (2.0%). Total budgeted expenditures increased by $85,016,000 (7.3%) in the final budget. Actual expenditures were less than final budgeted expenditures by $84,064,000 (6.7%) percent. Significant factors impacting those changes were as follows:

Original Budget vs. Final Budget

Revenue Variances

- Intergovernmental revenue was increased due to additional information on the ability of the state to provide program aid.
- Use of money (interest earned) was conservatively budgeted due to the uncertainty of the timing of the use of available funds. As the fiscal year progressed and the availability of the funds was established the budget was increased.

Expenditure Variances

- The Final Budget for General Government - Plant Acquisition included re-appropriation for projects not completed in the prior year and additional appropriations for building and improvement projects that were funded during the current year.
- The Final Budget for General Government included $10,000,000 for Doctor's Hospital Aid.
- The Final Budget for Public Protection included additional grant funds for emergency services, and increased salaries and benefits.
- The Final Budget incorporated additional funding for Employment and Human Services programs from expected increases in state aid.

Final Budget vs. Actual Amounts

Revenue Variances

- Intergovernmental revenue (primarily state aid) was lower than expected by approximately $34,694,000.
- Taxes, $7,455,000, were higher than projected.
- Use of Money (See Original Budget versus Final Budget above,)

Expenditure Variances

- General Government – Plant acquisition expenditures were less than budgeted because the budget included appropriations for various building improvement and construction projects that were not completed during the year and non-essential projects being deferred.
- Health Services budgeted for the full expenditure of Mental Health Services Act (Prop 63) funds during fiscal year 2006 – 2007. Not all approved programs were fully implemented during the year which resulted in reduced expenditures.
- Public Ways and Facilities – Road construction expenditures were less than budgeted due to progress on the Highway 4 Bypass not reaching expected levels.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital Assets

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

COUNTY'S CHANGES IN CAPITAL ASSETS
(Net of Depreciation)
(In Thousands)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2007	2006	2007	2006	2007	2006	Percent Change
Infrastructure	$ 266,156	267,160			266,156	267,160	(0.4) %
Land	68,107	67,075	12,816	16,514	80,923	83,589	(3.2)
Structures and improvements	288,509	288,478	185,782	182,172	474,291	470,650	0.8
Equipment	46,469	46,765	11,585	13,029	58,054	59,794	(2.9)
Construction in progress	55,306	34,451	4,457	5,751	59,763	40,202	48.7
Total	$ 724,547	703,929	214,640	217,466	939,187	921,395	1.9 %

The county's investment in capital assets for its governmental and business-type activities as of June 30, 2007, was $939,187,000 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, drainage systems, and bridges. The total county's investment in net capital assets for fiscal year 2006-2007 increased by 1.9 percent (a 2.9 percent increase for governmental activities and a 1.3 percent decrease in business-type activities).

The major increase in the county's investment in capital assets for government activities is the construction in progress for major building facilitates:

	Total Projected Cost
District Attorney	$15,250,000
Public Works Administration	5,000,000
Clerk Recorder	7,800,000

Business activities had a net decrease in capital assets as the result of depreciation expense exceeding new additions. The Housing Authority reclassified certain Land assets to Structures ($4,028,709). Construction commitments for additional health care facilities under constructions are:

	Total Projected Cost
Concord Health Clinic	$2,200,000
Pittsburg Health Clinic	2,100,000

Specific changes in governmental and business-type activities are presented in Note 7, in the "Notes to the Basic Financial Statements".

Long-Term Debt

Long-term debt for the governmental and business-type activities is presented below to illustrate changes from the prior year:

COUNTY'S OUTSTANDING DEBT
Capital Lease Obligations, Certificates of Participation, Pension Obligation Bonds, Retirement Litigation Settlement, Notes Payable, Other Bonds Payable, Lease Revenue Bonds, Tax Allocation Bonds and Special Assessment Debt
(In Thousands)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2007	2006	2007	2006	2007	2006	Percent Change
Capital lease obligations	$ 13,444	12,646	1,899	2,281	15,343	14,927	2.8 %
Certificates of participation		27,008	112,845	118,307	112,845	145,315	(22.3)
Pension obligation bonds	643,990	666,905			643,990	666,905	(3.4)
Retirement litigation settlement	24,809	25,527			24,809	25,527	(2.8)
Notes payable	788	339	17,224	15,651	18,012	15,990	12.6
Other bonds payable	4,015	4,585			4,015	4,585	(12.4)
Lease revenue bonds	174,633	127,766	33,037	28,689	207,670	156,455	32.7
Tax allocation bonds	133,105	81,935			133,105	81,935	62.5
Special assessment debt	12,389	13,213			12,389	13,213	(6.2)
Total	$ 1,007,173	959,924	165,005	164,928	1,172,178	1,124,852	4.2 %

At June 30, 2007, the county had total long-term debt outstanding of $1,172,178,000. The county's legal debt limit was $7,326,173,000. During the year, the county's liabilities for long term debt increased by $47,326,000 (4.2)%. Specific changes in governmental and business-type activities are presented in Note 11, and Note 19, in the "Notes to the Basic Financial Statements".

During the current year through the Public Financing Authority, the county undertook a significant long-term debt transaction that provided $32.35 million of funds toward the project costs of a new District Attorney's

headquarters building and a new Clerk-Recorder's building, the acquisition of the Concord Health Center and improvements to a Public Works Administrative building and the Pittsburg Health Center. The lease revenue bond transaction also refunded a number of maturities of the following lease revenue bonds and certificates of participation:

$21,670,000 of lease revenue bonds, 1999 Series A
10,275,000 of lease revenue bonds, 2001 Series A
17,410,000 of lease revenue bonds, 2001 Series B
6,800,000 of lease revenue bonds, 2002 Series A
5,065,000 of lease revenue bonds, 2003 Series A
26,815,000 of certificates of participation, Series of 1997

The County achieved present value debt service saving of $8.0 million on the refunded securities.

Refer also to the information on the Debt Management Policy in the Letter of Transmittal (page v).

The outlook on the county's credit ratings was changed from "negative" to "stable" by both Moody's Investors Service (Moody's) and Standard & Poor's Ratings Services (S&P) during Fiscal Year 2006-07. The county's underlying long-term ratings are as follows:

Type of Issue	Moody's	S&P
Issuer rating/implied general obligation bond rating	Aa3	AA
Pension obligation bonds	A1	AA-
Lease revenue bonds/certificates of participation	A2	AA-

The county has purchased municipal bond insurance policies on most of its pension obligation bonds, lease revenue bonds and certificates of participation, thereby resulting in those securities being rated in the highest possible long-term rating category of Aaa by Moody's and S&P.

County General Fund expenditures tend to occur in level amounts throughout the fiscal year. Conversly, receipts have followed an uneven pattern primarily as a result of secured property tax installment delinquency dates concentrated in December and April and as a result of delays in payments from other governmental agencies, the two largest sources of county revenues. The county issues short-term tax and revenue anticipation notes (TRANs) from time to time to finance periodic cash deficits in the General Fund due to the temporary mismatch of revenues and expenditures. The county issued $110 million of TRANs in Fiscal Year 2006-07 and received the highest possible short-term ratings of MIG 1 from Moody's and SP-1+ from S&P.

KNOWN FACTS, DECISIONS AND CONDITIONS THAT ARE EXPECTED TO HAVE A SIGNIFICANT EFFECT ON FINANCIAL POSITION OR RESULTS OF OPERATIONS NEXT YEAR

- Considered the growing service delivery needs in the County.
- Developed an Other Post Employment Benefit (OPEB) funding plan that balances our requirement to provide public services with the provision of competitive health care benefits.
- Considered the need to maintain competitive compensation plans to attract qualified employees and retain experienced employees.
- All of the facts, decisions and conditions listed above were considered in preparing the county's budget for fiscal year 2007-2008.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the county's finances for all those with an interest in the county's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Auditor-Controller, 625 Court Street, Room 103, Martinez, CA 94553-1282.

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

COUNTY OF CONTRA COSTA
STATEMENT OF NET ASSETS
JUNE 30, 2007
(In Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Contra Costa Children and Families Commission
Assets:				
Cash and investments	$ 488,340	84,942	573,282	52,230
Receivables (net)	253,278	25,819	279,097	2,081
Inventories	1,644	839	2,483	
Internal balances	3,125	(3,125)		
Due from component unit	1,289		1,289	
Notes receivable	68,157	275	68,432	808
Prepaid items and deposits	4,559	1,679	6,238	456
Deferred charges	5,527	1,359	6,886	
Land held for resale	2,391		2,391	
Prepaid pension asset (net)	580,854		580,854	
Other noncurrent assets		541	541	
Restricted cash and investments	259,993	19,313	279,306	
Notes receivable		1,159	1,159	
Capital assets:				
Nondepreciable	123,413	17,273	140,686	246
Depreciable, net	601,134	197,367	798,501	663
Total assets	2,393,704	347,441	2,741,145	56,484
Liabilities:				
Short term notes payable	110,000		110,000	
Accounts payable and accrued liabilities	111,893	52,591	164,484	160
Accrued interest payable	9,023	1,262	10,285	
Due to primary government				1,289
Due to other agencies				1,024
Welfare program advances	12,517		12,517	
Unearned revenue	75,479	18,511	93,990	64
Noncurrent liabilities:				
Due within one year	95,299	8,568	103,867	9
Due in more than one year	1,057,711	167,997	1,225,708	79
Total liabilities	1,471,922	248,929	1,720,851	2,625
Net Assets:				
Invested in capital assets, net of related debt	415,045	62,470	477,515	909
Restricted for:				
Legally segregated taxes, grants and fees	347,021	352	347,373	
Tenant deposits		7,596	7,596	
Escrowed bonds	19,945		19,945	
Debt service	33,076	10,535	43,611	
Permanent fund:				
Expendable portion	71		71	
Nonexpendable portion	1,729		1,729	
Total restricted net assets	401,842	18,483	420,325	
Unrestricted	104,895	17,559	122,454	52,950
Total net assets	$ 921,782	98,512	1,020,294	53,859

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Program Activities:				
Primary government:				
Governmental activities:				
General government	$ 165,911	97,371	11,151	
Public protection	500,698	140,065	135,827	12
Health and sanitation	181,922	64,449	94,059	
Public assistance	426,503	2,323	371,183	
Education	25,452	866	4,055	
Public ways and facilities	99,630	22,240	43,389	8,958
Recreation and culture	1,298	144	707	
Interest on debt	81,243			
Total governmental activities	1,482,657	327,458	660,371	8,970
Business-type activities:				
County Hospital	325,208	248,401	20,995	7,677
HMO Medi-Cal Plan	81,703	77,261		
HMO Commercial Plan	90,646	62,010	24,819	
Airport	4,972	3,321	1,813	
Housing Authority	97,278	6,164	86,897	1,189
Major Risk Medical Insurance	1,892	1,383		
Sheriff Law Enforcement Training Center	1,504	927	391	
Total business-type activities	603,203	399,467	134,915	8,866
Total primary government	$ 2,085,860	726,925	795,286	17,836
Component unit:				
First 5 Contra Costa Children and Families Commission	$ 13,060		12,341	
GENERAL REVENUES:				
Taxes:				
Property				
Sales				
Other				
Grants/contributions not restricted				
Investment earnings				
Other				
TRANSFERS				
Total general revenues and transfers				
Change in net assets				
NET ASSETS, BEGINNING OF YEAR				
Adjustments to beginning net assets (Note 2)				
NET ASSETS, BEGINNING OF YEAR, AS RESTATED				
NET ASSETS, END OF YEAR				

See accompanying notes to the basic financial statements.

Net (Expenses) Revenues and Changes in Net Assets			Component Unit
Governmental Activities	Business-type Activities	Total	First 5 Contra Costa Children and Families Commission
(57,389)		(57,389)	
(224,794)		(224,794)	
(23,414)		(23,414)	
(52,997)		(52,997)	
(20,531)		(20,531)	
(25,043)		(25,043)	
(447)		(447)	
(81,243)		(81,243)	
(485,858)		(485,858)	
	(48,135)	(48,135)	
	(4,442)	(4,442)	
	(3,817)	(3,817)	
	162	162	
	(3,028)	(3,028)	
	(509)	(509)	
	(186)	(186)	
	(59,955)	(59,955)	
(485,858)	(59,955)	(545,813)	
			(719)
$ 437,658		437,658	
13,064		13,064	
16,941		16,941	
16,120		16,120	
62,024	386	62,410	2,749
32,661	1,082	33,743	1
(53,287)	53,287		
525,181	54,755	579,936	2,750
39,323	(5,200)	34,123	2,031
882,459	101,456	983,915	51,828
	2,256	2,256	
882,459	103,712	986,171	51,828
$ 921,782	98,512	1,020,294	53,859

COUNTY OF CONTRA COSTA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007
(In Thousands)

	General	CCC Fire Protection District Special Revenue	Land Development Special Revenue	Nonmajor	Total
Assets:					
Cash and investments	$	31,609	46,516	294,994	373,119
Accounts receivable and accrued revenue (net)	227,512	3,284	1,487	17,073	249,356
Inventories	1,644				1,644
Due from other funds	64,778	746	23,414	8,006	96,944
Due from component unit	1,289				1,289
Advances to other funds				7,666	7,666
Notes receivable	57,083			11,074	68,157
Prepaid items and deposits	3,588	933		38	4,559
Land held for resale				2,391	2,391
Restricted cash and investments	110,000			149,993	259,993
Total assets	$ 465,894	36,572	71,417	491,235	1,065,118
Liabilities and Fund Balances					
Liabilities:					
Short term notes payable	$ 110,000				110,000
Accounts payable and accrued liabilities	86,955	6,055	1,990	16,887	111,887
Due to other funds	27,559	208	2,992	61,958	92,717
Welfare program advances	12,517				12,517
Advances from other funds				7,666	7,666
Deferred revenue	79,747	138	33,656	30,284	143,825
Total liabilities	316,778	6,401	38,638	116,795	478,612
Fund Balances:					
Reserved for:					
Encumbrances	24,427	365	138	22,774	47,704
Inventories	1,644				1,644
Advances to other funds				7,667	7,667
Prepaid items and deposits	3,397	933		38	4,368
Land held for resale				2,391	2,391
Programs with purpose restrictions				613	613
Escrowed bonds				19,945	19,945
Bond proceeds with eligibility restriction				54,457	54,457
Housing projects				786	786
Debt service				33,306	33,306
Lease purchases	3,535				3,535
Permanent fund-expendable portion				71	71
Permanent fund-nonexpendable portion				1,729	1,729
Unreserved, designated for:					
Special revenue funds:					
Equipment replacement				6,130	6,130
Debt service funds:					
Equipment replacement	9,038		876		9,914
Litigation/audit	5,000				5,000
Dougherty Valley	520				520
CCC Fire Protection District capital facilities		4,600			4,600
CCC Fire Protection District reserve designation		15,801			15,801
General fund capital reserve	12,822				12,822
General fund reserve designation	83,760				83,760
Unreserved, undesignated, reported in:					
General fund	4,973				4,973
Special revenue funds		8,472	31,765	212,564	252,801
Capital projects funds				11,969	11,969
Total fund balances	149,116	30,171	32,779	374,440	586,506
Total liabilities and fund balances	$ 465,894	36,572	71,417	491,235	1,065,118

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS

JUNE 30, 2007

(In Thousands)

Fund balances - total governmental funds (page 24)			$ 586,506
Amounts reported for governmental activities in the statement of net assets are different because:			
The pension assets resulting from contributions in excess of the annual required contribution are not financial resources and therefore not reported in the funds.			580,854
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			724,547
Accrued revenue, which is not available soon enough to pay for the current period's expenditures, is deferred in the governmental funds.			189
Notes receivable are not available to pay current-period expenditures and, therefore, are deferred in the governmental funds.			68,157
Internal service funds are used by management to charge the costs of self insurance to individual funds. The assets and liabilities of these funds, except for the medical liability insurance fund, are included as governmental activities in the statement of net assets.			9,174
Interest on long-term debt is recognized as it accrues, regardless of when it is due.			(9,023)
Costs of issuance on bonds are not recognized as current expenditures and are deferred.	$ 5,717		
Current year amortization of costs of issuance on bonds.	(190)		5,527
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.			
Certificates of participation			
Lease revenue bonds	(174,633)		
Notes payable	(788)		
Tax allocation bonds	(133,105)		
Special assessment bonds	(12,389)		
Other bonds payable	(4,015)		
Pension obligation bonds	(643,990)		
Retirement litigation settlement	(24,809)		
Capital lease obligations	(13,444)		
Compensated absences	(37,798)		
Premiums, discounts and deferred amounts on refundings	822		(1,044,149)
Net assets of governmental activities (page 21)			$ 921,782

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	General	CCC Fire Protection District Special Revenue	Land Development Special Revenue	Nonmajor	Total
Revenues:					
Taxes	$ 304,323	87,803		92,346	484,472
Licenses, permits and franchise fees	15,265	106	20,210	7,437	43,018
Fines, forfeitures and penalties	13,714			4,586	18,300
Use of money and property	18,594	613	3,256	35,445	57,908
Intergovernmental	603,078	4,217	12	62,036	669,343
Charges for services	215,232	4,199	8,641	37,381	265,453
Other revenue	107,624	100	7,848	29,286	144,858
Total revenues	1,277,830	97,038	39,967	268,517	1,683,352
Expenditures:					
Current:					
General government	168,963			26,946	195,909
Public protection	331,986	99,442	23,529	97,013	551,970
Health and sanitation	181,851			8,898	190,749
Public assistance	391,106			54,584	445,690
Education	241			25,622	25,863
Public ways and facilities	86,634		11,978	39,114	137,726
Recreation and culture				1,642	1,642
Debt service:					
Principal	93			62,242	62,335
Debt issuance cost				3,314	3,314
Interest	4,453			53,082	57,535
Other charges				1,539	1,539
Total expenditures	1,165,327	99,442	35,507	373,996	1,674,272
Excess (deficiency) of revenues over (under) expenditures	112,503	(2,404)	4,460	(105,479)	9,080
Other Financing Sources (Uses):					
Transfers in	1,707	535		58,715	60,957
Transfers out	(104,817)		(586)	(10,836)	(116,239)
Issuance of debt				222,685	222,685
Premium on debt issued	1,007			6,694	7,701
Payment to bond trustee				(118,998)	(118,998)
Capital lease financing	3,578				3,578
Total other financing sources (uses)	(98,525)	535	(586)	158,260	59,684
Net change in fund balances	13,978	(1,869)	3,874	52,781	68,764
Fund Balances at Beginning of Year	135,138	32,040	28,905	321,659	517,742
Fund Balances at End of Year	$ 149,116	30,171	32,779	374,440	586,506

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

Net change in fund balances - total governmental funds (page 26)			$ 68,764
Amounts reported for governmental activities in the statement of activities are different because:			
Revenues that were deferred in the governmental funds because they were unavailable are reported as current revenue.			7,200
Governmental funds report capital asset acquisitions as either capital outlay or other current program expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Expenditures for capital assets	$ 63,519		
Less loss on sale/retirement of capital assets	(5,687)		
Less current year depreciation	(37,214)		20,618
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.			
Debt Issuance	(222,685)		
Deferral of bond issuance cost	3,314		
Payment to bond trustee	118,998		
Premium on debt issued*	(6,468)		
Principal payments	62,335		
Interfund lease payments	642		
Capital lease payments	2,780		
Issuance of capital lease	(3,578)		(44,662)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Change in long-term compensated absences	(1,978)		
Amortization of pension asset	(40,861)		
Amortization of bond issuance cost	(190)		
Amortization of premiums, discounts and loss on refunding - Lease Revenue Bonds	27		
Amortization of premiums, discounts and loss on refunding - Tax Revenue Bonds	(29)		
Change in accrued interest payable	44		(42,987)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.			30,390
Change in net assets of governmental activities (page 23)			$ 39,323

See accompanying notes to the basic financial statements.

* Excludes premium received on TRAN issued.

COUNTY OF CONTRA COSTA

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

JUNE 30, 2007

(In Thousands)

	Enterprise Funds				
	County Hospital	Housing Authority*	Nonmajor	Total	Internal Service
Assets:					
Current assets:					
Cash and investments	$ 45,955	4,525	28,167	78,647	121,516
Accounts receivable and accrued revenue (net)	17,860	824	7,135	25,819	3,922
Inventories	834		5	839	
Due from other funds	6,424		8,213	14,637	79
Notes receivable		275		275	
Prepaid items and deposits	1,518	161		1,679	
Deferred charges	1,359			1,359	
Other assets					
Total current assets	73,950	5,785	43,520	123,255	125,517
Noncurrent assets:					
Restricted cash and investments	10,535	8,758	20	19,313	
Notes receivable		1,159		1,159	
Other noncurrent assets		541		541	
Capital assets:					
Nondepreciable	161	4,917	12,195	17,273	
Depreciable, net	135,350	51,813	10,204	197,367	
Total noncurrent assets	146,046	67,188	22,419	235,653	
Total assets	219,996	72,973	65,939	358,908	125,517
Liabilities and Net Assets					
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	29,981	1,579	21,031	52,591	6
Accrued interest payable	1,141	112	9	1,262	
Due to other funds	3,750		13,954	17,704	1,239
Deferred revenue	16,938	662	911	18,511	
Current portion of long-term liabilities	5,973	587	361	6,921	54,439
Total current liabilities	57,783	2,940	36,266	96,989	55,684
Noncurrent liabilities:					
Capital lease obligations	508		838	1,346	
Certificates of participation, net	98,125			98,125	
Compensated absences	8,244	73	444	8,761	
Claims payable					61,410
Bonds and notes payable, net	33,046	16,924		49,970	
Landfill post closure	516			516	
Other noncurrent liabilities		3,938		3,938	
Total noncurrent liabilities	140,439	20,935	1,282	162,656	61,410
Total liabilities	198,222	23,875	37,548	259,645	117,094
Net Assets (Deficit):					
Invested in capital assets, net of related debt	2,860	38,360	21,250	62,470	
Restricted for debt service	10,535			10,535	
Restricted for tenant deposits		7,596		7,596	
Restricted			352	352	
Unrestricted (deficit)	8,379	3,142	6,789	18,310	8,423
Total net assets (deficit)	$ 21,774	49,098	28,391	99,263	8,423

Adjustment to reflect the consolidation of Medical Liability ISF activities related to enterprise funds.	(751)
Net assets of business-type activities (page 21)	$ 98,512

* Housing Authority Fund reported as of March 31, 2007.

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(In Thousands)

	Enterprise Funds				
	County Hospital	Housing Authority*	Nonmajor	Total	Internal Service
Operating Revenues:					
Use of money and property	$ 178		4,665	4,843	
Charges for services	248,201	6,164	140,237	394,602	61,767
Other revenue		621	461	1,082	
Total operating revenues	248,379	6,785	145,363	400,527	61,767
Operating Expenses:					
Salaries and employee benefits	217,444	10,321	12,525	240,290	
Services and supplies	85,609		161,281	246,890	14,322
Benefit and claim expense					27,461
Other charges	530	81,127	4,841	86,498	
Expenditure transfers			223	223	
Depreciation	8,420	4,654	1,757	14,831	
Total operating expenses	312,003	96,102	180,627	588,732	41,783
Operating income (loss)	(63,624)	(89,317)	(35,264)	(188,205)	19,984
Nonoperating Revenues (Expenses):					
State and federal grants	20,995	86,897	27,023	134,915	
Investment income			3	3	4,054
Interest income		383		383	
Interest expense	(8,826)	(1,113)	(90)	(10,029)	
Other charges		(63)		(63)	
Total nonoperating revenue (expenses)	12,169	86,104	26,936	125,209	4,054
Income (Loss) before Capital Contributions and Transfers	(51,455)	(3,213)	(8,328)	(62,996)	24,038
Capital contributions	7,677	1,189		8,866	
Transfers in	54,094		5,655	59,749	5,996
Transfers out	(9,848)		(614)	(10,462)	(1)
Change in net assets	468	(2,024)	(3,287)	(4,843)	30,033
Total Net Assets at Beginning of the Year, as Previously Reported	21,306	48,866	31,678	101,850	(21,610)
Adjustments to beginning net assets (Note 2)		2,256		2,256	
Total Net Assets at Beginning of the Year, as Restated	21,306	51,122	31,678	104,106	(21,610)
Total Net Assets at End of Year	$ 21,774	49,098	28,391	99,263	8,423

Reconciliation of enterprise funds change in net assets to statement of activities:

Change in net assets of enterprise funds.	$ (4,843)
Adjustment to reflect the consolidation of Medical Liability ISF activities related to enterprise funds.	(357)
Change in net assets of business-type activities (page 23)	$ (5,200)

* Housing Authority Fund reported as of March 31, 2007.

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(In Thousands)

	Enterprise Funds				
	County Hospital	Housing Authority*	Nonmajor	Total	Internal Service
Cash Flows from Operating Activities:					
Cash received from customers/other funds	$ 249,598	6,658	136,237	392,493	61,024
Cash payment to suppliers for goods and services	(90,831)	(79,763)	(164,760)	(335,354)	(46,871)
Cash payment to employees for services	(215,845)	(10,321)	(12,494)	(238,660)	
Net Cash Provided by (Used for) Operating Activities	(57,078)	(83,426)	(41,017)	(181,521)	14,153
Cash Flows from Noncapital Financing Activities:					
State and federal grants	20,995	86,762	27,023	134,780	
Interest received		20		20	
Issuance of debt		(33)		(33)	
Debt payments		1,229		1,229	
Transfers in	54,094		5,655	59,749	5,996
Transfers out	(9,848)		(614)	(10,462)	
Net Cash Provided by Noncapital Financing Activities	65,241	87,978	32,064	185,283	5,996
Cash Flows from Capital and Related Financing Activities:					
Issuance of debt	26,521	2,848		29,369	
Capital contributions	7,677	1,189		8,866	
Acquisition and construction of capital assets	(506)	(4,558)	(757)	(5,821)	
Interest paid	(8,096)	(977)	(90)	(9,163)	
Lease purchase obligation principal payment	(231)		(151)	(382)	
Principal paid on debt	(5,861)	(274)		(6,135)	
Principal refunded	(22,221)			(22,221)	
New debt Premium - Cost of Issuance/Deferred Charges	402			402	
Net Cash Used for Capital and Related Financing Activities	(2,315)	(1,772)	(998)	(5,085)	
Cash Flows from Investing Activities:					
Interest received on investments		353	3	356	4,054
Net Cash Used for Investing Activities		353	3	356	4,054
Net Increase (Decrease) in Cash and Cash Equivalents	5,848	3,133	(9,948)	(967)	24,203
Cash and Cash Equivalents at Beginning of Year	50,642	10,149	38,135	98,926	97,313
Cash and Cash Equivalents at End of Year	$ 56,490	13,282	28,187	97,959	121,516

(continued)

COUNTY OF CONTRA COSTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(In Thousands)

	Enterprise Funds				
	County Hospital	Housing Authority*	Nonmajor	Total	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:					
Operating income (loss)	$ (63,624)	(89,318)	(35,264)	(188,206)	19,984
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:					
Depreciation and amortization	8,420	4,654	1,757	14,831	
Changes in operating assets and liabilities:					
Decrease (increase) in:					
Accounts receivable and accrued revenue, net	5,633	(9)	(3,135)	2,489	(782)
Inventories	(46)		31	(15)	
Due from other funds	2,374	55	(5,964)	(3,535)	39
Prepaid items and deposits	(256)	95	52	(109)	
Increase (decrease) in:					
Accounts payable and accrued liabilities	1,709	1,116	(5,528)	(2,703)	(5,152)
Employee benefits payable	923			923	
Due to other funds	(6,099)	1	6,844	746	64
Deferred revenue	(6,788)	(38)	199	(6,627)	
Tenants deposit		27		27	
Compensated absences	676	1	(9)	668	
FSS escrows		130		130	
Accrued salaries		(140)		(140)	
Net Cash Provided by (Used for) Operating Activities	$ (57,078)	(83,426)	(41,017)	(181,521)	14,153

(concluded)

* Housing Authority Fund reported as of March 31, 2007.
See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

JUNE 30, 2007

(In Thousands)

	Pension Trust*	Investment Trust	Private-Purpose Trust	Agency
Assets:				
Cash and investments	$ 327,746	1,428,574	14,565	$ 139,287
Cash collateral - securities lending	356,760			
Investments pension trust				
Stocks	2,492,244			
Bonds	1,813,655			
Real estate	447,864			
Alternative investments	164,125			
Receivables	343,520	7,917	271	63,293
Due from other governments	8,672			85,761
Taxes receivable				215,857
Prepaid items and deposits	519			
Capital assets, net	888			
Total assets	5,955,993	1,436,491	14,836	$ 504,198
Liabilities:				
Warrants outstanding		67,594		$ 36,114
Accounts payable and accrued liabilities	726,131	6,513	15	99,746
Employee benefits payable	2,092			
Due to other governments				160,354
Security lending	356,760			
Unapportioned taxes				109,959
Tax loss guarantees				33,559
Due to other agencies and districts				64,466
Total liabilities	1,084,983	74,107	15	$ 504,198
Net Assets:				
Held in trust for:				
Employees' pension benefits	4,871,010			
Participation in individually directed investment accounts		1,362,384	14,821	
Total net assets	$ 4,871,010	1,362,384	14,821	

* Pension Trust Fund reported as of December 31, 2006.

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Pension Trust*	Investment Trust	Private-Purpose Trust
Additions:			
Employer contributions	$ 191,449		
Plan member contributions	73,468		
Contributions to investment accounts		3,756,253	
Other revenue			18,674
Net investment income	637,532	13,649	78
Investment expense	(21,961)		
Total additions	880,488	3,769,902	18,752
Deductions:			
Benefits paid	216,057		
Refunds of contributions	3,232		
Distribution from investment accounts		3,853,272	
Administrative and other expenses	4,859		805
Prepayment discount	6,812		
Other	240		14,973
Total deductions	231,200	3,853,272	15,778
Change in net assets	649,288	(83,370)	2,974
Net Assets Held In Trust at Beginning of Year	4,221,722	1,445,754	11,847
Net Assets Held In Trust at End of Year	$ 4,871,010	1,362,384	14,821

*Pension Trust Fund reported as of December 31, 2006.

See accompanying notes to the basic financial statements.

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Contra Costa conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The following is a summary of the more significant policies:

A. Definition of Reporting Entity

The county is a political subdivision created by the state of California. As such, it can exercise powers specified by the constitution and statutes of the state. The county is governed by a five member elected Board of Supervisors (the Board). The Board is responsible for the legislative and executive control of the county. The county provides various services on a countywide basis including law and justice, education, detention, social, health, hospital, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

The governmental reporting entity consists of the county (primary government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and relationship with the county are such that exclusion would cause the county's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (i) the county's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the county.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities are, in substance, part of the county's operations and so data from these units are combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements since it does not have a shared governing body nor is it of exclusive or almost exclusive benefit to the primary government.

For financial reporting purposes, the county's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the county's Board.

Blended Component Units

Housing Authority of the County of Contra Costa

The Housing Authority of the County of Contra Costa (Housing Authority) was established to provide housing for the county's low and moderate income residents. Its board members are the same as the county Board of Supervisors. The financial activities of the Housing Authority are reported as an enterprise fund. The fiscal year of the Housing Authority ends on March 31st and its financial activities are reported as of that date. The Housing Authority has two discretely presented

component units that have been blended with the Housing Authority in this report. The discretely presented component units have fiscal year ends of December 31. Their financial statements have been adjusted to March 31 for inclusion in the Housing Authority statements.

Contra Costa County Redevelopment Agency

The Contra Costa County Redevelopment Agency (RDA) was established for the purpose of redeveloping certain areas of the county designated as project areas. Its board members are the same as the county Board of Supervisors. The financial activities of the RDA are included in the special revenue, debt service, and capital projects funds and are reported as nonmajor governmental funds.

County of Contra Costa Public Facilities Corporation

The County of Contra Costa Public Facilities Corporation (PFC) was established to provide financing for the acquisition, construction, improvement and remodeling of public buildings and facilities for the county. The county appoints a voting majority of the governing board and is able to impose its will on the PFC. The County Hospital Enterprise Fund includes activities of the PFC.

County of Contra Costa Public Financing Authority

The County of Contra Costa Public Financing Authority (PFA) is a joint powers authority consisting of the county and the RDA. The PFA was established to provide for the financing of public improvements, obligations, working capital and liability or other insurance programs of the county and the RDA. The members of the county Board of Supervisors also serve as the Directors of the PFA. The activities of the PFA are included in a debt service fund, which is reported as part of the nonmajor governmental funds, and in the County Hospital Enterprise Fund.

Contra Costa County Employees' Retirement Association

The Contra Costa County Employees' Retirement Association (CCCERA) was established to provide retirement benefits to employees of the county and other member agencies. The CCCERA provides a majority of its services for the benefit of the county and, therefore, is reported as a pension trust fund in the basic financial statements. The fiscal year of the CCCERA ends on December 31st and its financial activities are reported as of that date.

In-Home Supportive Services Public Authority

The Contra Costa County Board of Supervisors, pursuant to Welfare and Institutions Code Section 12301.6, established the In-Home Supportive Services Public Authority (IHSS). IHSS provides screening, training and referral of in-home supportive service providers and assists eligible individuals, who are unable to care for themselves at home, in finding qualified persons to assist them. Its board members are the same as the county Board of Supervisors. The activities of the IHSS are included in a special revenue fund which is reported as part of the nonmajor governmental funds.

Special Districts and Service Areas

The county has 38 agencies referred to as county special districts and service areas. Each is established by the county for the purpose of providing specific services in a defined geographic area. Their board members are the same as the county Board of Supervisors. The 38 agencies and the special revenue fund in which each is included are: Contra Costa County Fire Protection District; Other Fire Protection – Crockett-Carquinez Fire Protection District and East Contra Costa County Fire Protection District; Flood Control - Flood Control District, Storm Drainage District, Storm Drain Maintenance District DA 127 and Storm Drain District No. Z-16; Health and Sanitation - Sanitation Districts Nos. 5 and 6; Service Areas - Service Areas D-2, EM-1, L-100, LIB-2, LIB-10, LIB-12, LIB-13, M-1, M-16, M-17, M-20, M-23, M-28, M-29, M-30, M-31 R-4, R-7A, R-9, R-10, RD-4 and Discovery Bay West Parking District; Law Enforcement - Service Areas P-1, P-5 and P-6, P-2A, Public Transit-Service Area T1, P-2B; Other Special Revenue - Contra Costa County Water Agency. These special revenue funds are reported as nonmajor governmental funds, with the exception of the Contra Costa County Fire Protection District, which is reported as a major governmental fund.

Discretely Presented Component Unit

First 5 Contra Costa Children and Families Commission

The First 5 Contra Costa Children and Families Commission (formerly the Contra Costa Children and Families First Commission) was established to implement the provisions of Proposition 10, adopted by the voters in 1998. Proposition 10 added Division 108 (commencing with California Government Code Section 130100) to the California Health and Safety Code. It provides for a state tax on the sale of tobacco products and also provides that this revenue be spent for early childhood development programs by the Commission. The county Board of Supervisors appoints all nine members (and nine alternate members) of the Commission. Two members of the Board of Supervisors serve on the Commission. However, the Commission hires its own employees, including an Executive Director and functions independent of the county. The Commission provides most of its services directly to the citizens of the county. The financial activity of the Commission is reported in separate columns on the government-wide financial statements.

Complete audited financial statements are issued separately for each of the individual component units listed below and may be obtained at the unit's administrative offices as follows:

Housing Authority of the County of Contra Costa
3133 Estudillo Street, Martinez, CA 94553

County of Contra Costa Public Facilities Corporation
1220 Morello Ave., Suite 100, Martinez, CA 94553

County of Contra Costa Public Financing Authority
651 Pine Street, 6th Floor, Martinez, CA 94553

Contra Costa County Redevelopment Agency
2530 Arnold Drive, Suite 190, Martinez, CA 94553

Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221, Concord, CA 94520

First 5 Contra Costa Children and Families Commission
1340 Arnold Drive, Suite 125, Martinez, CA 94553

B. New Accounting Pronouncements Implemented During the Year

The county adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, addresses the accounting for cash flows of immediate cash payment for specific receivables or specific future revenues.

C. Basis of Presentation

Government-wide Financial Statements

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, mandate the presentation of two basic government-wide financial statements, the *Statement of Net Assets* and the *Statement of Activities*. The statement of net assets and statement of activities display information about the primary government (the county) and its component units. The statement of net assets and statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The statement of net assets and statement of activities also distinguish between the *governmental* and *business-type activities* of the county and between the county and its discretely presented component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees charged to external parties.

For presentation in the statement of net assets and statement of activities, all of the internal service fund account balances are allocated to governmental activities except for the medical liability insurance fund which is allocated to business-type activities.

The statement of net assets reports the county's financial and capital resources, including infrastructure, as well as the county's long-term obligations. The difference between the county's assets and liabilities is its net assets. Net assets represent the resources that the county has available for uses in providing services after its debts are settled.

The statement of activities presents a comparison between direct and allocated indirect expenses and program revenues for each function of the governmental activities and each segment of the business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs, including fines and forfeitures, and 2) grants and contributions that are restricted to meeting the operational or capital requirements

of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, management has discretion as to which resources to apply. Generally, restricted resources are depleted before unrestricted. However, when prudent, unrestricted resources may be used first.

Fund Financial Statements

The fund financial statements provide information about the county's funds, including fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The county reports the following as major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the county that are not accounted for through other funds. In addition to general administration, the General Fund includes such activities as public protection, health and sanitation, public assistance, education, and public ways and facilities.

- The *Contra Costa County Fire Protection District (CCCFPD) Special Revenue Fund* accounts for the financial aspect of the fire and emergency medical service activities provided by CCCFPD to nine cities and certain unincorporated areas in the county. As requested by interested parties, the CCCFPD's financial activities have been separated from those of the county's other fire protection districts and are reported as a major fund.

- The *Land Development Special Revenue Fund* reports the growth management related activities of the Building Inspection Department, Public Works Department, and the Community Development Department.

The county reports the following as major enterprise funds:

- The *County Hospital (the Hospital)* accounts for hospital operations involved in providing health services to county residents. Revenues are principally fees for patient services, payments from federal and state programs such as Medicare, Medi-Cal and Short-Doyle, realignment revenues, and subsidies from the General Fund.

- The *Housing Authority* accounts for the financial resources designated for housing and housing assistance to low income residents of Contra Costa County.

The county reports the following additional fund types:

- *Internal Service Funds* account for the county's self-insurance programs – employee dental insurance, long-term disability insurance, workers' compensation insurance, automotive liability

insurance, general liability insurance, state unemployment insurance, medical liability insurance, and special district property insurance, on a cost-reimbursement basis.

- The *Pension Trust Fund* accumulates contributions from the county, its employees and other participating employers, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability and death benefits (based on a defined benefit formula), and administrative expenses. This fund includes all assets of the CCCERA.

- The *Investment Trust Fund* accounts for the assets of legally separate entities who make directed investments through the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities. This fund represents the assets, primarily cash and investments, and the related obligation of the county to disburse these monies on demand.

- The *Private-Purpose Trust Fund* accounts for assets held in trust for the benefit of individuals, private organizations, and other governments.

- *Agency Funds* account for assets pending transfer or distribution to individuals, private organizations or other governmental entities held by the county in an agency capacity. Included in these funds are the Unapportioned Taxes Fund and the Tax Losses Reserve Fund, which provide controls necessary for the county to manage property taxes under the Teeter Plan (see section M of this note).

D. Basis of Accounting

The government-wide, proprietary fund and fiduciary, excluding agency, fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds do not have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the county is giving (or receiving) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Agency funds are unlike all other types of funds, reporting only assets and liabilities. So agency funds cannot be said to have a measurement of focus. Since they do not report equity, they cannot present an operating statement reporting changes in equity. They do, however, use the accrual basis of accounting to recognize receivables and payables.

For its business-type activities and enterprise funds, the county has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles

Board or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes accounting principles generally accepted in the United States of America for governmental units. The county has elected not to follow subsequent private-sector guidance of the Financial Accounting Standards Board after November 30, 1989.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes are accrued when their receipt occurs within sixty days after the end of the accounting period. All other revenues are accrued if they are both measurable and available within sixty days, except for certain reimbursements related to health care from the State of California which are accrued when their receipt is expected within one year after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are generally recorded when payment is due. However, where resources have been provided during the current year for payment of interest due early in the following year, the expenditure and related liability are accrued. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

E. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, their equity in the County Treasurer's internal pool, and cash restricted for repayment of debt or as reserves to be cash equivalents.

F. Investments

Investment transactions are recorded on the trade date. Investments in non-participating, interest-earning investment contracts (certificates of deposit and guaranteed investment contracts) are stated at cost. Other investments are stated at fair value. Fair value is defined as the amount that the county

could reasonably expect to receive for an investment in a current sale between a willing buyer and seller and is generally measured by quoted market prices.

Under GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, the Pension Trust Fund reports its investments at fair value. Both realized and unrealized gains and losses on investments are included in its statement of changes in net assets. The fair values of equity and fixed income securities are derived from quoted market prices. The fair values of private market investments are estimated from fair values provided by real estate investment funds, generally using periodic independent appraisals, and alternative investment managers. All investment purchases and sales are recorded on the trade date.

The public school, cemetery, pest control, recreation and park and resource conservation districts within the county are required by legal provisions to maintain their cash and investments with the County Treasurer. The County Treasurer maintains individual directed investment accounts for those districts, and the cash and investments held are included in the Investment Trust Fund.

G. Inventories and Prepaid Items

Inventories are valued at cost, which approximates market. Governmental fund inventories are maintained using the weighted average method. Proprietary fund inventories are maintained using the first-in, first-out method. The costs of governmental fund inventories and proprietary fund inventories are recorded as expenditures/expenses at the time individual items are consumed rather than when purchased. Reported inventories of governmental funds are equally offset by a fund balance reservation to indicate that a portion of the fund balance is not available for future appropriation.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Notes Receivable

Generally loans are either deferred or collected on a residual receipts basis with all remaining principal and interest due on the earlier of the due date of the note or sale or transfer of property. Any repayment of principal or interest is treated as program revenue, the use of which is restricted by federal regulations. As such, notes receivable are recorded with an offset to deferred revenue in the fund financial statements because the amounts are unavailable. The notes receivable balances in the General Fund consist of loans made with funds provided to the county under the U.S. Department of Housing and Urban Development programs. The loans are made to carry out activities for affordable housing and economic development.

I. Prepaid Pension Asset

A prepaid pension asset is created when an employer pays into a retirement plan amounts in excess of its annual required contribution (ARC). The ARC is an actuarially calculated amount that is sufficient to fund future costs and extinguish any existing unfunded actuarial accrued liability (UAAL).

On March 1, 1994, the county made a payment of $333,724,000 to CCCERA from the proceeds of the issuance of pension obligation bonds to reduce the county's UAAL as calculated at that time. On May 1, 2003, the county made another payment of $319,095,000 to CCCERA from the proceeds of an additional issuance of pension obligation bonds to reduce the county's UAAL as recalculated, due primarily to the effect of the enhanced pension granted in 2002.

In 2005, the Contra Costa County Fire Protection District (CCCFPD) issued Series 2005 Pension Obligation Bonds in the principal amount of $129,900,000 to fund CCCFPD's UAAL obligation as of December 31, 2004, to the Contra Costa County Employees' Retirement Association and to prepay CCCFPD's portion of the outstanding Paulson Settlement.

J. Restricted Assets

The county's restricted assets represent cash and investments of the General Fund, County Hospital Enterprise Fund, Permanent Fund, Major Risk Medical Insurance Internal Service Fund, and certain nonmajor governmental funds restricted for debt repayments in accordance with restrictions and limitations of the various bond indentures. The Housing Authority Enterprise Fund's restricted assets represent cash and investments that consist of tenant deposits held in escrow and capital lease funds not yet spent on capital assets. The nonmajor enterprise fund's restricted assets represent funds for Airport capital projects not yet spent. All of the noted cash and investments are included in Note 4.

K. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) consisting of certain improvements including roads, bridges, water/sewer, lighting systems, drainage systems, and flood control. The capitalization threshold for infrastructure is $25,000. The capitalization threshold for buildings is $100,000. The capitalization threshold for equipment and vehicles is $5,000. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the activities within the government-wide financial statements, proprietary funds and the Pension Trust Fund.

The estimated useful lives are as follows:

Infrastructure	25-50 years
Buildings	25-40 years
Improvements	10-20 years
Equipment and vehicles	3-20 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities or extend useful lives, are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Interest is capitalized on construction in progress in the proprietary funds in accordance with Statement of Financial Accounting Standards No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax Exempt Borrowings and Certain Gifts and Grants*. Accordingly, interest capitalized is the total interest cost from the date of the borrowing, net of any allowable interest carried on temporary investments of the proceeds of those borrowings, until the specified asset is ready for its intended use.

L. Bond and Certificate of Participation Discounts, Issuance Costs, and Deferred Amounts on Refundings

In governmental fund financial statements, bond and certificate of participation discounts, issuance costs, and deferred amounts on refundings are recognized in the period incurred. In the government-wide and proprietary fund financial statements, these charges are deferred and amortized over the term of the issuance using the straight-line method, which approximates the effective interest method.

M. Property Tax Levy, Collection, and Maximum Rates

The county is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property situated in the county. The levy is based on the assessed values as of the preceding January 1st, which is also the lien date. State code requires tax rates to be set no later than the first workday in September unless the Board of Supervisors elects to extend the deadline to October 3rd. Property taxes on the secured roll are due in two installments: November 1st and February 1st and become delinquent after December 10th and April 10th, respectively. Supplemental property taxes are levied based on changes in assessed values between the date of real property sales or construction completion and the preceding assessment date. The additional supplemental property taxes are prorated from the first day of the month following the date of such occurrence. Property taxes on the unsecured roll are due on the lien date (January 1st), and become delinquent if unpaid by August 31st.

Supplementary taxes that have been collected but unapportioned at year-end and unsecured taxes collected in advance are reported as unapportioned taxes in the Unapportioned Taxes Agency Fund. Secured property taxes are recorded as revenue in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by the California Revenue and Taxation Code Section 4701 et al (The Teeter Plan). This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll, approximately October 1st of each year.

Under the alternate apportionment method, specified amounts of penalties and interest collected on delinquent secured taxes are held in the Tax Losses Reserve Agency Fund (TLRF). This reserve is used to offset the impact of accumulated delinquency remaining at year-end. The county's management believes that any ownership rights to the TLRF the county may have are effective only upon transfer or to the extent of losses related to the sale of tax defaulted property. The county has the authority to transfer any amounts in the fund that exceed a legally defined threshold, which was $20,213,000 at June 30, 2007. The year-end balance in the TLRF was $33,559,000. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the county's Teeter Plan.

N. Interfund Transactions

Interfund transactions are reflected as either loan, services provided, reimbursements or transfers. Loans are reported as receivables and payables (as appropriate), are subject to elimination upon consolidation, and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

O. Compensated Absences and Sick Leave

Under terms of union contracts and various Board resolutions, county employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation hours. Employees are not reimbursed for accumulated sick leave except management employees who are eligible for a payoff of unused sick leave accruals at resignation. Management employees must have a balance of at least 70.0 percent of their sick leave accruals and have been employed three years or more to be eligible for this benefit. The maximum amount payable under this Sick Leave Incentive Plan is 50.0 percent of accrued sick leave; however, the amount of sick leave payable is considered de minimis. Accordingly, no accrual for sick leave has been made in the accompanying basic financial statements.

Compensated absences as of June 30, 2007, were valued at $49,991,000, which includes $31,413,000 attributable to the General Fund, $6,385,000, attributable to the Special Revenue Funds, $10,013,000 recorded in Enterprise Funds, $88,000 recorded in the Component Unit, and $2,092,000 recorded in the Pension Trust Fund. Amounts attributable to the General Fund, Special Revenue Funds, and Component Unit are expected to be claimed in future periods and paid with future resources from those funds. Accordingly, this liability is reflected in the government-wide statement of net assets. In the proprietary funds and the Pension Trust Fund, compensated absences are recorded as an expense and liability as the benefits accrue to employees. In compliance with GASB Statement No. 16, *Accounting for Compensated Absences*, the amounts reported include estimated employer liability for taxes and workers' compensation premiums.

P. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. FUND EQUITY

A. Restatement of Fund Equity/Net Assets

Housing Authority Enterprise Fund Adjustment

During 2003, one of the Authority's Public Housing developments was demolished and the land leased to DeAnza Gardens L.P. for the purpose of constructing a tax credit project. At that time the cost of the original development was removed from the Authority's books of accounts. During the current year, the Authority discovered that the costs of several modernization projects for this demolished development had not been removed from the books of accounts. Further, it was discovered that the depreciation of several modernization projects was not being calculated on a

consistent basis. As of April 1, 2006, the Authority corrected these errors, resulting in a prior period year adjustment of $2,256,000.

Summary

The impact of the restatement on net assets at April 1, 2006, is presented below (in thousands):

	Housing Authority Enterprise*
Fund Balances/net assets as previously reported	$ 48,866
To remove the costs of several modernization projects for the Public Housing Development that was demolished in 2003 but had not been removed from the books.	(2,119)
To decrease the amount of the accumulated depreciation for the modernization projects that were demolished in 2003.	4,375
Fund Balances/net assets as restated	$ 51,122

* Housing Authority Fund reported as of March 31, 2007.

B. Reserve for Prepaid Items and Deposits

Reserves are less than total prepaid items and deposits because the General Fund advanced $191,000 to subgrantees, which will use the funds for federal programs during fiscal year 2007-2008. As funds are spent, the federal government reimburses the county.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted for all governmental funds except the Public Financing Authority Debt Service Fund, the Assessment Districts Debt Service Fund, and the Assessment Districts Capital Projects Fund. All annual appropriations lapse at fiscal year end. GAAP serves as the budgetary basis of accounting.

Schedules of revenues, expenditures, and changes in fund balance-budget vs. actual are included in the required supplementary section of this report for the General Fund and all major special revenue funds.

Encumbrance accounting is used in governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

B. Deficit Net Assets

Three internal service funds had net assets deficits at June 30, 2007. The Workers' Compensation Insurance, County General and Fire Protection funds show deficits of $(7,883,000) and $(251,000) respectively, improving upon the deficits of $(32,008,000) and $(3,989,000) in the June 30, 2006 CAFR. The improvements can be attributed to a combination of increased contributions to the fund, improvement in investment earnings, and the effects of recent reforms enacted by the State Legislature. Procedures have been implemented to improve the accuracy of the Workers' Compensation claims estimate for budgeting. This will provide complete billing to departments for these costs eliminating the remaining deficits. The Medical Liability Insurance fund deficit of $(751,000), representing an increase of $357,000 from the June 30, 2006 CAFR, can be attributed mainly to an increase in claims payable.

The Sheriff Law Enforcement Training Center Enterprise Fund (Training Center), which is reported as a nonmajor enterprise fund, reported a year-end deficit of ($328,000). From the inception of the Training Center, the Enterprise Fund has consistently experienced small annual deficits that have accumulated since fiscal year 2001-2002, despite diligent efforts to recover program costs through fees and other revenues. In recognition of the Countywide benefits of the Training Center, the Board of Supervisors approved in the 2007-2008 Final Budget a one-time allocation to fund the accumulated deficit, and a small ongoing General Fund subsidy combined with the continuing efforts of the Sheriff to increase operational efficiency and maximize cost recovery, is expected to eliminate any remaining deficit over time.

4. CASH AND INVESTMENTS

The cash balances of substantially all funds, except the Pension and Investment Trust Funds, are maintained in the county's internal pool and invested by the County Treasurer. Income from pooled investments is allocated to the funds based on average daily balances. As permitted by the California Government Code, legally separate entities that are not part of the county reporting entity also have individual investment accounts in the County Treasury. These investment accounts are separate from the pool and are reported in the Investment Trust Fund. Specific investments are acquired for those separate entities at their direction and the income from and changes in the value of these investments affect only the entity for which they were acquired. The CCCERA Board directs the investment activity of the Pension Trust Fund.

A. Summary of Cash and Investments

Cash and investments at June 30, 2007 (December 31, 2006, for the Pension Trust Fund and March 31, 2007 for the Housing Authority), are reported as follows (in thousands):

		Deposits and Certificates of Deposits	Investments	Total
From the Statement of Net Assets				
Primary Government	Cash and investments	$ 12,807	560,475	573,282
	Restricted cash and investments		279,306	279,306
First 5 Contra Costa Children and Families Commission	Cash and investments	52,230		52,230
From the Statement of Fiduciary Net Assets				
Pension Trust Fund	Cash and investments	369,467	4,876,167	5,245,634
	Cash collateral-securities lending		356,760	356,760
Investment Trust Fund	Cash and investments		1,428,574	1,428,574
Private-Purpose Trust Fund	Cash and investments	4,307	10,258	14,565
Agency Funds	Cash and investments		139,287	139,287
Total		$ 438,811	7,650,827	8,089,638

B. Investments (excluding the Pension Trust Fund)

Deposits

Deposits include bank deposits at a carrying amount of $68,704,000. The balance reported by various financial institutions was $97,559,000. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, $1,439,000 was covered by federal depository insurance and $96,120,000 was collateralized by the pledging financial institutions as required by California Government Code Section 53652.

According to the California Government Code Section 53601, bank obligations such as certificates of deposit are considered investments. However, in accordance with accounting principles generally accepted in the United States of America, the county has classified certificates of deposit in the amount of $22,467,000 as deposits. Of the certificates of deposit balance, $303,000 was insured and $22,164,000 was collateralized by the pledging financial institutions as required by California Government Code Section 53652.

Under the California Government Code, a financial institution is required to secure deposits in excess of $100,000 made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. The collateral must be held at the pledging bank's trust department or at another bank, acting as the pledging bank's agent, in the public agency's name. The county may waive collateral requirements for cash deposits, which are fully insured up to $100,000 by the Federal Deposit Insurance Corporation. The county, however, has not waived the collateralization requirements.

The county follows the practice of pooling cash of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash is allocated on a quarterly basis to the various funds based on the quarterly average cash balances. Interest income from cash with fiscal agent is credited directly to the related fund.

Authorized Investments

Under provisions of the county's investment policy, the county may invest in the following:

Bonds and notes issued by local agencies with a maximum maturity of five years. Obligations issued by Agencies or Instrumentalities of the U.S. Government.

State or Municipal Depository Funds, such as the Local Agency Investment Fund (LAIF) or pooled cash investment funds managed by County treasurers.

U.S. Treasury bills, notes, bonds, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

Registered state warrants, treasury notes, or bonds issued by the state of California.

Bonds, notes, warrants, or other evidence of debt issued by a local agency within the state of California, County Treasurer, other local agencies or Joint Powers Agencies.

Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments.

Banker's acceptances with a term not to exceed 270 days, limited to 40% of surplus funds; no more than 30% of surplus funds can be invested in Bankers Acceptances of any single commercial bank.

Prime commercial paper not to exceed 180 days and the highest ranking issued by Moody's Investors Service or Standard & Poor's Corp., limited to 15% of surplus funds; provided that if the average total maturity of all commercial papers does not exceed 31 days up to 30% of surplus funds can be invested in commercial paper.

Negotiable certificates of deposit issued by federally or state chartered banks or associations, limited to not more than 30% of surplus funds.

Repurchase/reverse repurchase agreements of any securities authorized by the California Government Code Sections 5922 and 53601 et seq. Securities purchased under these agreements shall be no less than 102 percent of market value. Securities purchased under reverse repurchase agreements shall be for temporary and unanticipated cash flow needs only.

Medium-term notes (not to exceed two years) of U.S. corporations rated "AAA" or better by Moody's or Standard & Poor's limited to not more than 30% of surplus funds.

Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized by this Section (Money Market Mutual Funds); Funds must carry the highest rating of at least two national rating agencies and are limited to not more than 20% of surplus funds.

The Local Agency Investment Fund (LAIF) maintained by the state of California.

Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable-backed bond with a maximum maturity of five years, securities in this category must be rated AA or better by a national rating service and are limited to not more than 30% of surplus funds.

Notes, bonds, or other obligations that are at all times secured by a valid first-priority security interest.

Moneys held by a trustee or fiscal agent and pledged to the payment of security bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements.

Insured demand and savings deposits, provided that deposits in excess of the insured amounts must be 100 percent collateralized by federal securities (Housing Authority).

Insured money market accounts (Housing Authority).

Insured super NOW accounts, provided the deposit in excess of insured amount must be 100 percent collateralized by federal securities (Housing Authority).

Sweep accounts that are 100 percent collateralized by federal securities (Housing Authority).

Funds held under the terms of a trust indenture or other contract or agreement including HUD/PHA annual contributions contract, may be invested according to the provisions of those indentures or contracts.

Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code (USS) or applicable federal security regulations.

Risk Disclosures

Interest Rate Risk. As a means of limiting its exposure to losses arising from rising interest rates, the county's investment policy provides that final maturities of securities cannot exceed five years, unless the County Board of Supervisors (Board) has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

At June 30, 2007, the county (March 31, 2007, for the Housing Authority) excluding CCCERA investments (as of December 31, 2006, which are shown on page 55), had the following investments and maturities (in thousands):

		Investment Maturities				
Investment Type:		Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Fair Value Total
U.S. Treasury notes & bonds	$	18,422	15,088	4,873		38,383
U.S. agencies - (FHLB, FNMA, FFCB, FHLMC)		67,188	162,472	38,604		268,264
Medium-term notes			2,745	16,854		19,599
Corporate notes		3,637	6,958			10,595
Municipal bonds		355	1,423			1,778
Asset backed securities			2,923	4,473		7,396
Repurchase agreements		539,723				539,723
Commercial paper		663,359				663,359
Negotiable certificates of deposit		204,985				204,985
Guaranteed investment contracts		23,225	1,918			25,143
Mutual funds		161,671				161,671
LAIF		466,013				466,013
CAMP		407				407
Local obligation bond			104			104
Corporate bond		11,121				11,121
Banker's acceptance						
Total	$	2,160,106	193,631	64,804		2,418,541

As of June 30, 2007, the portfolio contains $51,380,000 of callable U.S. Agencies, representing 11% of investments at June 30, 2007.

Credit Risk. State law limits investments in commercial paper with an A1 and all other investments with an investment grade rating issued by nationally recognized statistical rating organizations (NSROs). The county's policy is to limit its investments in these investment types to the top rating issued by NSROs including raters Standard and Poor's, Fitch Ratings, and Moody's Investors Service.

The following schedule lists the types of investments and the range of credit ratings as rated by Standard and Poor's:

Investment Type:		Fair Value (in thousands)	Quality Rating Range
U.S. Treasury notes, strips, bills	$	38,383	AAA
Federal Home Loan Bank (FHLB)		121,705	AAA to A-1+
Federal National Mortgage Association (FNMA)		48,525	AAA to A-1+
Federal Farm Credit Bank (FFCB)		24,060	AAA to A-1+
Federal Home Loan Mortgage-Corp (FHLMC)		71,717	AAA to A-1+
Federal agriculture mortgage		2,256	AAA
Medium-term notes		19,599	AAA to A+
Corporate notes		10,595	AA- to A
Municipal bonds		1,778	AAA
Asset-backed securities		7,397	AAA
Repurchase agreements		539,723	Not rated
Commercial paper		663,359	A-1+ to A-1
Commercial paper			P-1*
Negotiable certificates of deposit			A
Negotiable certificates of deposit		204,985	A-1+ to A-1
Guaranteed investment contracts		14,978	AAA to Aa2
Guaranteed investment contracts		10,165	Not rated
Mutual funds		88,143	Aaa/ AAAm
Mutual funds		73,528	Not rated
LAIF		466,013	Not rated
CAMP		407	Not rated
Corporate Bond		11,121	A to AA-
Local obligation bond		104	Not rated
Total	$	2,418,541	

* As rated by Moody's Investor Service

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the county will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. There are no county investments in which the securities are held by the investment's counterparty, not in the name of the county.

Concentration of Credit Risk. The Treasurer's investment policies and guidelines permit the County to be invested in any one issuer's investments up to 10% of the County's total assets of the investments held by the county. The investment portfolio contained no concentration of investments in any one entity (other than those issued or guaranteed by the U.S. Government) that represented 10% or more of plan net assets.

Other Financial Instruments

In accordance with California statutes, the county may invest in a wide variety of investment instruments, including asset-backed securities, such as: collateralized mortgage obligations and principal-only strips and forward contracts.

The Treasurer holds principal-only strip instruments for the benefit of some county school districts. Those school districts utilize the services of an independent financial advisor in determining their investment strategy. As of June 30, 2007, the county's portfolio included $1,909,000 of strip investments.

The county's investments with the Local Agency Investment Fund (LAIF), a state of California investment pool, at June 30, 2007, included a portion of the pool funds invested in structured notes and asset-backed securities, as follows:

> Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
>
> Asset-Backed Securities the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets (such as principal) and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2007, the county had $429,876,000, the Housing Authority (March 31, 2007) had $2,745,000 invested in LAIF and the fiscal agents had $33,392,000 invested in LAIF which had invested 3.466 percent of the pool investment funds in structured notes and asset-backed securities.

The derivative information for the various mutual funds in which the county had investments is not available.

At June 30, 2007, the amount of assets restricted by legal and contractual requirements was as follows (in thousands):

	Governmental Activities		Business-type Activities		
	General Fund	Nonmajor Governmental Funds	County Hospital	Housing Authority	Nonmajor Enterprise Funds
Tax & Revenue Anticipation Notes	$ 110,000				
Pension obligation bond		10,436			
Nonexpendable portion of permanent fund		1,729			
Bond proceeds, housing projects, and debt services		93,046			
Public Financing Authority					
1997 Certificate of participation		1,074			
1998 Lease revenue bond		1,794			
1999 Lease revenue bond		1,110			
2001A & 2001B Lease revenue bonds		34			
2003 Lease revenue bond		1,292			
2007 Lease revenue bond		33,497			
2001 Reassessment Bond		380			
Pleasant Hill BART bond reserve 1987-1 reserve account		492			
San Ramon bond reserve 1989-1 reserve account		41			
Kensington reserve fund AD 91-1 reserve account		251			
San Pablo bond reserve AD 91-3 reserve account		27			
Pleasant Hill BART RFD 98 reserve account		547			
Norris Canyon 2001-1 reserve account		594			
Pleasant Hill BART RFD 98 construction/ improvement bond		3,612			
Kensington construction/improvement bond AD 91-1		37			
PFC servicing Hospital debt			10,535		
Capital lease funds that have not been spent, operating revenues required by lender, and funds held on behalf of its clients.				8,758	
Restricted program money					20
Total restricted assets	$ 110,000	149,993	10,535	8,758	20

County management believes that the county is in compliance with all terms of its debt agreements and all state statute requirements.

C. Pension Trust Fund Deposits and Investment Risk Disclosures

Deposits

At year-end, the carrying amount of CCCERA's cash deposits was $2,088,000 (which is included in cash equivalents) and the bank balance was $2,164,000. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, $100,000 was covered by federal depository insurance, and $2,064,000 was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code.

Under the California Government Code, a financial institution is required to secure deposits in excess of $100,000 made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure governmental deposits by pledging first deed mortgage notes having an institution's trust department or agent in CCCERA's name.

Investment Stewardship

Except as otherwise expressly restricted by the California Constitution and by law, the CCCERA Board invests the assets of CCCERA through the purchase, holding, or sale of any form or type of instruments, or financial transaction, when prudent, in the informed opinion of the CCCERA Board. In addition, the CCCERA Board has established an investment policy, which places limits on the compositional mix of cash, fixed income, equity securities, alternative investments and real estate investments. CCCERA currently employs external investment managers to manage its assets subject to the guidelines of the investment policy.

As permitted by the Government Code, CCCERA directs the County Treasurer to make specific investments on behalf of CCCERA. Investments made by the County Treasurer are subject to regulatory oversight by the County's Treasury Oversight Committee, as required by the California Government Code Section 27134.

Industry Concentrations of Portfolio Assets

The Board's investment policies and guidelines permit investments in numerous specified asset classes to take advantage of professional investment management advice and a well-diversified portfolio. The investment portfolio contained no concentration of investments in any one entity (other than those issued or guaranteed by the U.S. Government) that represented five percent or more of plan net assets.

Investment Risk

Investments are subject to certain types of risks, including interest rate risk, custodial credit risk, credit quality risk and foreign currency risk. The following describes those risks.

Interest Rate Risk. The fair value of fixed maturity investments fluctuates in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair value of those investments. The fair value of interest sensitive instruments may also be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments and other general market conditions. Certain fixed maturity investments may have call provisions that could result in shorter maturity periods.

The following schedule is a list of fixed income and short term investments and the related maturity schedule for CCCERA as of December 31, 2006 (in thousands):

	Investment Maturities				
Investment type	Less than 1 year	1-5 years	6-10 years	More than 10 years	Fair Value Total
Collateralized mortgage-backed securities (CMBS)	$ 2,697	15,659	15,259	224,226	257,841
Collateralized mortgage-obligations	3,036	615	1,280	164,766	169,697
Commercial paper	89,502	9,497			98,999
Corporate bonds	10,170	72,946	108,358	26,783	218,257
Private placements	319	282,022	198,528	54,930	535,799
Short term investment-fund instruments	189,593				189,593
U.S. Treasury notes & bonds	29,012	64,245	13,432	26,530	133,219
U.S. agencies - (GNMA, FNMA, FHLMC)	18,915	32,946	46,888	426,540	525,289
Total	$ 343,244	477,930	383,745	923,775	2,128,694

Custodial Credit Risk. For an investment, custodial credit risk is the risk that an entity will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party if the counter party fails. At year end, CCCERA has no custodial credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The fair value of investments on loan at December 31, 2006 is $346,681,000, which was collateralized by cash in the amount of $356,760,000.

Concentration of Credit Risk. The Board's investment policies and guidelines permit investments in numerous specified asset classes to take advantage of professional investment management advice and a well-diversified portfolio. The investment portfolio contained no concentration of investments in any one entity (other than those issued or guaranteed by the U.S. Government) that represented 5% or more of plan net assets.

Credit Risk. CCCERA's general investment policy is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and for the exclusive purposes of providing benefits, minimizing contributions and defraying reasonable expenses of administering the Trust. Investments should be diversified so as to minimize the risk of loss and to maximize the rate of return unless under the circumstances it is clearly prudent not to do so. Nationally recognized statistical rating organizations provide ratings of debt securities quality based on a variety of factors, for example, the financial condition of the issuers, which provide investors with some idea of the issuer's ability to meet its obligations.

Fixed maturity investments may consist of rated or non-rated securities. Ratings can range from AAA (highest quality) to D (default). Debt securities with ratings of BBB or higher are considered investment grade issues, and debt securities with ratings of BB or lower are non-investment grade issues. Debt securities in the non-investment grade category are more speculative and often referred to as "high-yield." This is due to the fact that lower rated debt securities generally carry a higher interest rate to compensate the buyer for taking on additional risk.

The following is a schedule of the credit risk ratings of CCCERA's fixed income and short term investments as of December 31, 2006, as rated by Standard and Poor's:

Quality Rating		Fair Value (in thousands)
AAA	$	1,155,428
AA+		9,540
AA		8,063
AA-		36,732
A+		10,873
A		16,533
A-		10,975
BBB+		38,701
BBB		22,467
BBB-		9,125
BB+		8,557
BB		17,721
BB-		14,933
B+		37,208
B		35,994
B-		21,154
CCC+		2,786
CCC		2,375
CCC-		1,399
CC		17
NR		668,113
Total	$	2,128,694

The following is a schedule of credit quality ratings, by type, of CCCERA's fixed income and short term investments as of December 31, 2006, as rated by Standard and Poor's:

Investment Type	Quality Rating Range
Asset-backed securities*	AAA to AA+
Convertible bonds*	AAA to CCC-
CMBS*	BB+ to B-
Mortgaged backed securities*	AAA to CCC-
Municipals	AAA to AA
Private placements	AAA to BB-
Real estate investment trust*	B+
Repurchase agreement	AAA
Short term*	A-1 to A-1
U.S. agencies*	AAA to AA-
Mutual funds	Not rated

* Investment type contained one or more investments that were not rated.

Foreign Currency Risk. The risk that changes in exchange rates will adversely affect the fair value of an investment. CCCERA's external investment managers may invest in international securities and must follow CCCERA's investment guidelines pertaining to these types of investments. CCCERA's exposure to foreign currency risk is as follows:

Currency		(in thousands)
Australian dollar	$	19,395
British pound sterling		104,136
Canadian dollar		30,371
Danish krone		1,699
Euro		236,460
Hong Kong dollar		7,311
Japanese yen		142,602
Mexican peso		1
New Zealand Dollar		(6)
Norwegian krone		13,762
Polish zloty		926
Singapore dollar		7,566
Swedish krona		27,709
Swiss franc		47,847
Total	$	639,779

The following schedule is a list of investments for CCCERA as of December 31, 2006:

Type of Investment		Fair Value (in thousands)
Deposit	$	2,132
Short Term Investments held by Fiscal Agent		679,525
Short Term Investments held by the County		2,848
Total Short Term Investments		684,505
US Government and Agency Instruments		759,589
Private Placement Bonds		535,799
Domestic Corporate Bonds		397,766
International Bonds		120,502
Total Bonds		1,813,656
Domestic Stocks		1,852,557
International Stocks		639,687
Total Stocks		2,492,244
Real Estate		447,864
Alternative Investments		164,125
TOTAL INVESTMENTS	$	5,602,394

Other Financial Instruments

As permitted by the California Government Code and the investment policy, CCCERA uses forward settlement contracts, forward currency contracts, futures and options contracts and other derivative products within fixed income financial instruments. These derivative financial instruments are used to reduce financial market risks, enhance yields and to participate in all market areas without increasing investment costs. At December 31, 2006, the following derivative financial instruments were held by investment managers:

Various investment managers for CCCERA manage fixed income portfolios that contain derivative type financial investments. These instruments include government and corporate obligations consisting of asset-backed securities, call and put options, floating rate notes, constant maturity index, Adjustable Rate Mortgages (ARMs), Collateralized Mortgage Obligations (CMOs), Collateralized Mortgage Backed Securities (CMBS) and LIBOR Indexed ARMs. The fair value of derivative financial instruments at December 31, 2006 is $1,128,000.

PIMCO and Western Asset Management have made investments in forward currency contracts, which are unrecorded commitments to purchase or sell stated amounts of foreign currency. Gains or losses on the disposition of the commitments are recorded at the time of settlement. The fair values of forward contracts are determined by quoted currency prices from national exchanges. As of December 31, 2006, total commitments in forward currency contracts to purchase and sell foreign securities were $256,415,000 and $256,415,000, respectively, with market values of $257,290,000 and $258,496,000 respectively.

Securities Lending by the Employees' Retirement Association (Pension Trust Fund)

The CCCERA's investment policy permits the use of a securities lending program with its principal custodian bank. The CCCERA lends domestic and international bonds and equities to various brokers for collateral that will be returned for the same securities plus a fee in the future. The custodian bank provides loss indemnification to the CCCERA if the borrower fails to return the securities.

The custodian bank manages the securities lending program and receives cash and/or securities as collateral. The collateral cash can be invested and is automatically rolled into a Short Term Investment Fund (STIF). The collateral securities cannot be pledged or sold by the CCCERA without borrower default. Securities on loan must be collateralized at 102.0 percent and 105.0 percent of the fair value of domestic securities plus accrued interest (in the case of debt securities).

There are no restrictions on the amount of securities that can be loaned at one time. CCCERA has the right to terminate any loan in whole or in part by providing the custodian bank with written notice (a "Recall Notice"). Because the loans are terminable at will, the term to maturity of the security loans is generally not matched with the term to maturity of the cash collateral. There were no losses associated with securities lending transactions during the year.

At year end, CCCERA had no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The fair value of investments on loan at December 31, 2006, is $346,681,000, which was collateralized by cash in the amount of $356,760,000, and has been reported as an asset and liability in the CCCERA Statement of Plan Net Assets.

5. RECEIVABLES

Receivables at year-end of the county's major individual funds, nonmajor, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows (in thousands):

Governmental Activities	General	CCC Fire Protection District Special Revenue	Land Development Special Revenue	Nonmajor	Internal Service	Total Governmental Activities
Taxes receivable	$ 7,754	2,447		1,087		11,288
Accounts receivable	219,672	837	1,487	15,986	3,922	241,904
Advances receivable	90					90
Gross receivables	227,516	3,284	1,487	17,073	3,922	253,282
Less: Allowance for uncollectibles	(4)					(4)
Total receivables (net)	$ 227,512	3,284	1,487	17,073	3,922	253,278

Business-type Activities	County Hospital	Housing Authority	Nonmajor	Total Business-type Activities
Accounts receivable	$ 167,729	824	7,135	175,688
Gross receivables	167,729	824	7,135	175,688
Less: Allowance for uncollectibles	(149,869)			(149,869)
Total receivables (net)	$ 17,860	824	7,135	25,819

Governmental funds report deferred revenues in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At June 30, 2007, the various components of deferred revenue and unearned revenue reported were as follows (in thousands):

	Unavailable	Unearned
Governmental Activities:		
General:		
Notes receivable (Community Development Block Grant-CDBG- loans)	$ 57,083	
Advances not yet earned		12,926
Other receivables and advances		9,459
Resources received that do not yet meet the criteria for revenue recognition		279
CCC Fire Protection District Special Revenue:		
Resources received that do not yet meet the criteria for revenue recognition	138	
Land Development Special Revenue:		
Other receivables and advances		33,605
Resources received that do not yet meet the criteria for revenue recognition	51	
Nonmajor:		
Notes receivable	11,074	
Advances not yet earned		14,143
Other receivables and advances		4,966
Resources received that do not yet meet the criteria for revenue recognition		101
Total Governmental Activities	$ 68,346	75,479
Business-type Activities:		
County Hospital:		
Resources received that do not yet meet the criteria for revenue recognition		$ 16,938
Housing Authority:		
Resources received that do not yet meet the criteria for revenue recognition		662
Nonmajor Enterprise Funds:		
Resources received that do not yet meet the criteria for revenue recognition		911
Total Business-type Activities		$ 18,511

6. INTERFUND TRANSACTIONS

A. Interfund Receivables/ Payables

The composition of interfund balances as of June 30, 2007, is as follows (in thousands):

Due To/From Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	CCC Fire Protection Special Revenue Fund	$ 159
	Land Development Special Revenue Fund	2,944
	Nonmajor Governmental Funds	55,711
	County Hospital Enterprise Fund	3,575
	Nonmajor Enterprise Funds	1,373
	Internal Service Funds	1,016
		64,778
CCC Fire Protection Special Revenue Fund	General Fund	463
	Internal Service Funds	73
	Nonmajor Governmental Funds	210
		746
Land Development Special Revenue Fund	General Fund	23,166
	CCC Fire Protection Special Revenue Fund	3
	Nonmajor Governmental Funds	245
		23,414
Nonmajor Governmental Funds	General Fund	3,494
	Land Development Special Revenue Fund	45
	County Hospital Enterprise Fund	51
	Nonmajor Enterprise Funds	7
	Internal Service Funds	22
	Nonmajor Governmental Funds	4,387
		8,006
County Hospital Enterprise Fund	General Fund	349
	Land Development Special Revenue Fund	3
	Nonmajor Governmental Funds	821
	Nonmajor Enterprise Funds	5,094
	Internal Service Funds	111
	CCC Fire Protection Special Revenue Funds	46
		6,424
Nonmajor Enterprise Funds	General Fund	19
	County Hospital Enterprise Fund	124
	Internal Service Funds	6
	Nonmajor Enterprise Funds	7,480
	Nonmajor Governmental Funds	584
		8,213
Internal Service Funds	General Fund	68
	Internal Service Funds	11
		79
Total		$ 111,660

The due to/from other funds account balances primarily resulted from interfund cash transactions recorded after the cash cut-off on June 30, 2007.

B. Advances To/From

Receivable Fund	Payable Fund	Amount
Nonmajor Governmental Funds	Nonmajor Governmental Funds	$ 7,666
Total		$ 7,666

The advances to/from other funds account balances resulted from interfund loans from the Road and Flood Control Special Revenue Funds to the R.D.A.

C. Interfund Transfers

Transfers were made during the year from the General Fund to subsidize the operations of the Hospital and HMO. Other transfers primarily consisted of payments from the various operating funds (principally the General Fund) to debt service funds in accordance with long-term debt covenants. In addition, special revenue funds made transfers to other funds to reimburse eligible costs incurred.

Interfund transfers to/from other funds for the year ended June 30, 2007 were as follows (in thousands):

Transfer From	Transfer To	Amount	Purpose
General Fund	County Hospital Enterprise	$ 54,094	Provide subsidy to cover portion of the County Hospital's operation.
	Nonmajor Enterprise Funds	5,071	Provide subsidy to cover a portion of the HMO's operation.
	Internal Service Funds	1,996	Transfer funds from the General Fund to the Public Liability Insurance Internal Service Fund.
	Internal Service Funds	4,000	Transfer funds from General Fund to Public Liability Insurance Internal Service Fund.
	County Pension Bond Fund	$ 37,380	Transfer a portion of Salaries and Benefits Expense to the Pension Obligation Bond Fund.
	Nonmajor Governmental Funds	1,955	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Nonmajor Governmental Funds	276	Transfer funds for the Sheriff's Patrol usage of helicopter and communication services.
	Nonmajor Governmental Funds	15	Transfer funds to the District IV libraries for the purchase of teen and children's books.
	Nonmajor Governmental Funds	30	Transfer of Equipment.
Total		104,817	
Land Development	County Pension Bond Fund	550	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond Fund.
	Nonmajor Governmental Funds	36	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
Total		586	

(continued)

Transfer From	Transfer To	Amount	Purpose
Nonmajor Governmental Funds	General Fund	151	Transfer the cash asset accounts from the closed Public Protection and the Juvenile Hall Capital Project Funds to the County General Fund.
	General Fund	150	Transfer funds from Marriage License fee revenues for mental health services preformed.
	General Fund	1,205	Transfer Proposition 63 Mental Health Service Act funds for mental health services preformed.
	General Fund	5	Transfer funds to Health Services to apply to the indigent inmates' medication budget.
	General Fund	170	Transfer funds for the Board Agenda Automation.
	General Fund	22	Transfer earned on Neighborhood Preservation revolving fund for remittance to HUD.
	County Pension Bond Fund	1,801	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond Fund.
	Nonmajor Governmental Funds	113	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Nonmajor Governmental Funds	104	Transfer funds from the Permanent Fund to the Library.
	Nonmajor Governmental Funds	25	Transfer County Service Measure H funds to the Crockett and East Contra Costa Fire Protection Districts for EMS first responder equipment, medical supplies and training.
	Nonmajor Governmental Funds	18	Transfer grant monies to the Contra Costa Watershed Forum - Citizen Volunteer Creek Monitoring Forum.
	Nonmajor Governmental	20	Transfer of funds from the County Service Area (CSA) to the Lighting and Landscaping Zone.
	Nonmajor Governmental Funds	790	Transfer of funds as Assessment District debt service payment.
	Nonmajor Governmental Funds	300	Transfer funds to the library from the excess County Service Area (CSA) assessment.
	Nonmajor Governmental Funds	4,843	Reimbursement of debt service by the housing project funds related to the bond proceeds used for projects that benefit housing for families of low and moderate income.

(continued)

Transfer From	Transfer To	Amount	Purpose
	Contra Costa Fire Protection District	159	Transfer funds from the Contra Costa Fire Protection District pension obligation bond to the Fire POB Stabalization Fund.
	Contra Costa Fire Protection District	193	Transfer County Service Measure H funds to the CCC Fire Protection District for paramedic engine startup costs and first responder oversight activities.
	Contra Costa Fire Protection District	183	Transfer County Service Measure H funds to the CCC Fire Protection District for EMS first responder equipment, medical supplies and training.
Nonmajor Governmental	Nonmajor Enterprise Funds	584	Provide subsidy to cover the Law Enforcement Training Center's deficit.
Total		$ 10,836	
County Hospital Enterprise	County Pension Bond Fund	9,225	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond Fund.
	Nonmajor Governmental Funds	623	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
Total		9,848	
Nonmajor Enterprise Funds	County Pension Bond Fund	579	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond Fund.
	Nonmajor Governmental Funds	32	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
	General Fund	3	Salary and benefits costs to district attorney court trainer for the Sheriff Law Enforcement Training Center.
Total		614	
Internal Service Funds	General Fund	1	Transfer of Public Liability funds for damages to General Services vehicle by CCC Fire District Truck.

(concluded)

The county pays a subsidy to the County Hospital and Health Maintenance Organization Enterprise Funds to provide resources for operating costs which are in excess of operating revenues. Subsidies for the past three years are as follows (in thousands):

Year End June 30	Total Subsidy
2005	$49,135
2006	$44,837
2007	$59,165

7. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2007 (March 31, 2007, for the Housing Authority), was as follows (in thousands):

	Balance July 1, 2006	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2007
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 67,075	1	(69)	1,100	68,107
Construction in progress	34,451	24,415		(3,560)	55,306
Total capital assets, not being depreciated	101,526	24,416	(69)	(2,460)	123,413
Capital assets, being depreciated:					
Infrastructure	359,633	5,841	(2,580)	3,371	366,265
Structures and improvements	569,252	22,279	(7,214)	(911)	583,406
Equipment	124,503	10,983	(8,600)		126,886
Total capital assets, being depreciated	1,053,388	39,103	(18,394)	2,460	1,076,557
Less accumulated depreciation for:					
Infrastructure	(92,473)	(7,636)			(100,109)
Structures and improvements	(280,774)	(19,214)	5,091		(294,897)
Equipment	(77,738)	(10,364)	7,685		(80,417)
Total accumulated depreciation*	(450,985)	(37,214)	12,776		(475,423)
Total capital assets, being depreciated, net	602,403	1,889	(5,618)	2,460	601,134
Governmental activities capital assets, net	$ 703,929	26,305	(5,687)		724,547

	Balance July 1, 2006	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2007
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$ 16,514	331		(4,029)	12,816
Construction in progress	5,751	1,946		(3,240)	4,457
Total capital assets, not being depreciated	22,265	2,277		(7,269)	17,273
Capital assets, being depreciated:					
Structures and improvements	315,289	3,857		7,269	326,415
Equipment	37,689	1,599	(432)		38,856
Total capital assets, being depreciated	352,978	5,456	(432)	7,269	365,271
Less accumulated depreciation for:					
Structures and improvements	(133,117)	(11,891)	4,375		(140,633)
Equipment	(24,660)	(2,987)	376		(27,271)
Total accumulated depreciation*	(157,777)	(14,878)	4,751		(167,904)
Total capital assets, being depreciated, net	195,201	(9,422)	4,319	7,269	197,367
Business-type activities capital assets, net	$ 217,466	(7,145)	4,319		214,640

* $47,000 of the addition to accumulated depreciation was due to a transfer from governmental funds.

	Balance July 1, 2006	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2007
Component Unit:					
Capital assets, not being depreciated:					
Land	$ 246				246
Total capital assets, not being depreciated	246				246
Capital assets, to be depreciated:					
Structures and improvements	461	202			663
Total capital assets, to be depreciated	461	202			663
Component unit capital assets, net	$ 707	202			909

The Pension Trust Fund had net capital assets of $888,000. This consisted of leasehold improvements and office equipment.

Depreciation

Depreciation expense was charged to governmental functions as follows (in thousands):

General government	$ 21,077
Public protection	9,776
Health and sanitation	229
Public assistance	428
Education	276
Public ways and facilities	5,180
Recreation and culture	248
Total depreciation expense - governmental functions	$ 37,214

Depreciation expense was charged to the business-type functions as follows (in thousands):

County Hospital	$ 8,420
Housing Authority	4,654
Nonmajor Enterprise Funds	1,757
Total depreciation expense - business-type functions	$ 14,831

8. SHORT-TERM NOTES PAYABLE

On June 30, 2007 the county had tax and revenue anticipation notes outstanding in the amount of $110,000,000 with interest at 4.5 percent per annum. The notes were issued December 12, 2006 and will be redeemed December 11, 2007. The initial interest is payable on November 20, 2007 and the final interest is payable on December 11, 2007. The County redeemed the December 8, 2005 issue of $100,000,000 on December 7, 2006. The redemption monies were from taxes and other revenues transferred to a fiscal agent during the fiscal year. Total interest incurred on these notes during fiscal year 2006-2007 was $4,838,000.00. These notes were issued to finance seasonal cash flow requirements for fiscal year ended June 30, 2007.

(In Thousands)

	Balance July 1, 2006	Additions	Retirements	Balance June 30, 2007
$	100,000	110,000	100,000	110,000

9. PAYABLES

Accounts payable and accrued liabilities at year-end were as follows (in thousands):

Governmental Activities	General	CCC Fire Protection District Special Revenue	Land Development Special Revenue	Nonmajor	Internal Service	Total Governmental Activities
Accounts payable	$ 36,143	665	1,007	12,827	6	50,648
Accrued payroll	50,812	5,390	983	4,060		61,245
Total accounts payable and accrued liabilities	$ 86,955	6,055	1,990	16,887	6	111,893

Business-type Activities	County Hospital	Housing Authority	Nonmajor	Total Business-type Activities
Accounts payable	$ 12,169	1,536	20,060	33,765
Accrued payroll	17,812	43	971	18,826
Total accounts payable and accrued liabilities	$ 29,981	1,579	21,031	52,591

10. LEASES

A. Operating Leases

Total rental expense for the year ended June 30, 2007 (March 31, 2007, for the Housing Authority), for all operating leases and month-to-month lease arrangements amounted to: $15,608,000 for the General Fund; $83,000 for the CCC Fire Protection Special Revenue Fund; $2,495,000 for the nonmajor governmental funds; $20,000 for the Land Development Special Revenue Fund; $3,824,000 for the County Hospital Enterprise Fund; and $189,000 for nonmajor enterprise funds.

At June 30, 2007 (March 31, 2007, for the Housing Authority), the future minimum rental payments required under non-cancelable operating leases for buildings and equipment, other than month-to-month lease arrangements, are as follows (in thousands):

Fiscal Year Ending June 30		Governmental Activities	Business-type Activities
2008	$	6,316	243
2009		5,300	124
2010		4,395	100
2011		3,813	100
2012		2,391	100
2013-2017		1,621	500
2018-2022		78	
Thereafter		2,399	
	$	26,313	1,167

B. Capital Leases

The county has capital lease purchase agreements for various county buildings, improvements, and equipment. The assets acquired under those lease purchase agreements are included in the county's capital assets. The costs of these assets for both governmental and business-type activities were $12,740,000 for buildings and improvements and $10,434,000 for equipment. The obligations related to those lease purchase agreements are included in the county's long-term obligations (see Note 11).

The following is a schedule of future minimum lease payments under capital leases together with the present value of future minimum lease payments as of June 30, 2007 (in thousands):

Fiscal Year Ending June 30		Governmental Activities	Business-type Activities
2008	$	3,541	630
2009		3,326	497
2010		3,113	497
2011		2,195	319
2012		1,180	141
2013-2017		1,515	
2018-2022		529	
Total		15,399	2,084
Less: Amount representing interest		(1,955)	(185)
Present value of future minimum lease payments	$	13,444	1,899

C. Leases of County-Owned Property

The county has non-cancelable operating leases of property to others for various operations including recreational, commercial, airport and governmental purposes. Rental income for the year ended June 30, 2007, amounted to $1,220,000 for the General Fund, $309,000 for nonmajor governmental funds, $42,000 for the County Hospital Enterprise Fund and $3,257,000 for nonmajor enterprise funds.

The leased assets included both land and buildings for both governmental and business-type activities. The net book value of the leased buildings was $3,262,000; including cost of $4,540,000 and accumulated depreciation of $1,278,000. The land leases were primarily associated with business-type activities at the Airport. The cost of the land associated with these leases is indeterminate, as the leased land is a small percentage of Airport land asset.

The following is a schedule of future minimum rental receipts on non-cancelable lease agreements, not including month-to-month lease agreements, as of June 30, 2007 (in thousands):

Fiscal Year Ending June 30		Governmental Activities	Business-type Activities
2008	$	278	2,014
2009		213	1,994
2010		185	2,005
2011		185	2,016
2012		185	1,865
2013-2017		108	8,190
2018-2022			6,872
2023-2027			5,988
2028-2032			5,981
2033-2037			5,147
2038-2042			3,443
2043-2047			3,266
	$	1,154	48,781

11. LONG-TERM OBLIGATIONS

The following is a summary of long-term liabilities transactions for the year ended June 30, 2007 (in thousands):

	Balance July 1, 2006	Additions	Retirements	Balance June 30, 2007	Amounts Due Within One Year
Governmental Activities					
Compensated Absences	$ 35,820	32,822	(30,844)	37,798	3,780
Claims Payable	114,861	2,136	(8,136)	108,861	52,792
Retirement Litigation Settlement Debt Svc	25,527		(718)	24,809	775
Capital Leases	12,646	3,578	(2,780)	13,444	2,959
Certificates of Participation-Net	27,008		(27,008)		
Pension Bonds Payable	666,905		(22,915)	643,990	24,855
Notes Payable	339	550	(101)	788	112
Other Bonds Payable	4,585		(570)	4,015	365
Lease Revenue Bonds	127,766	95,544	(48,677)	174,633	8,244
Tax Allocation Bonds	81,935	104,370	(53,200)	133,105	815
Special Assessments	13,213		(824)	12,389	649
Total Government Funds-Gross	1,110,605	239,000	(195,773)	1,153,832	95,346
Capitalized Premiums, Discounts and Deferred Amounts on Refundings	(442)	(848)	468	(822)	(47)
Total Governmental Activities - Long-term Obligations - Net	$ 1,110,163	238,152	(195,305)	1,153,010	95,299
Business-type Activities					
Compensated Absences	$ 9,345	9,308	(8,640)	10,013	1,251
Medical Liability Claims Payable	6,144	844		6,988	1,647
Capital Leases	2,281		(382)	1,899	553
Certificates of Participation-Net	118,307		(5,462)	112,845	4,610
Notes Payable	15,651	2,848	(1,275)	17,224	301
Other Non-Current Liabilities	3,907	31		3,938	
Landfill Post Closure and Closure Liability[1]	557		(41)	516	
Lease Revenue Bonds Payable	28,689	26,521	(22,173)	33,037	856
Total Enterprise Funds-Gross	184,881	39,552	(37,973)	186,460	9,218
Capitalized Premiums/Discounts	(11,466)	910	661	(9,895)	(650)
Total Business-type Activities - Long-term Obligations - Net	$ 173,415	40,462	(37,312)	176,565	8,568
Component Unit					
Compensated Absences	$ 64	73	(49)	88	9

Individual issues of bonds, notes and certificates of participation outstanding at June 30, 2007, are as follows (in thousands):

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2007
Governmental Activities					
Pension obligation bonds [4],[5]:					
2001 Issue/Remaining 1994 Issue	2014	5.55-6.80%	$ 15,915-33,280	$ 313,640	$ 193,000
2003 Issue	2022	3.98-5.14	0-44,925	322,710	322,710
2005 CCCFPD Issue	2022	4.11-5.06	1,620-10,900	129,900	128,280
					643,990
Lease revenue bonds:					
1998 Lease revenue	2025	3.80-5.15	525-1,745	24,695	20,380
1999 Lease revenue	2028	4.00-5.25	1,095-3,350	66,560	25,733
2001A Lease revenue	2026	3.15-4.15	335-900	13,905	3,795
2001B Lease revenue	2017	4.25-5.20	80-365	5,258	695
2002A Lease revenue	2027	2.75-5.00	155-760	12,650	4,290
2002B Lease revenue	2019	2.00-4.60	930-2,090	25,440	15,760
2003A Lease revenue	2028	2.00-5.00	365-1,240	18,500	9,125
2007A Lease revenue	2028	4.00-5.00	0-13,294	95,544	94,855
					174,633
Tax allocation bonds:					
1999 Tax allocation bond	2029	4.00 - 5.125	475 - 3,250	44,615	21,710
2003A Tax allocation bond	2034	3.00 - 5.85	375 - 5,055	43,345	7,025
2007A Tax allocation bond	2037	4.00 - 5.00	305 - 6,945	87,705	87,705
2007B Tax allocation bond	2037	4.00 - 5.00	260 - 1,090	16,665	16,665
					133,105
Special assessment debt with government commitment [6]:					
Kensington 91-1	2013	5.25-6.00	150-300	4,684	1,115
Pleasant Hill BART 93-5	2015	5.44-6.93	55-140	1,530	865
Pleasant Hill BART CFD 92-1	2016	8.00	7-14	171	104
Pleasant Hill BART CFD 98-1	2017	4.20-5.10	135-3,075	4,785	3,570
Norris Canyon 2001-1	2032	4.10-6.10	110-495	7,220	6,735
					12,389
Other bonds payable [2]:					
CCC PFA revenue bonds 2001	2017	4.00-5.69	360-570	6,575	4,015
Notes payable [7]:					
State Energy Commission	2009	3.00	9-48	315	94
State Energy Commission	2010	3.00	12-52	385	152
Sanitation District No. 5	2026	5.10	8-41	550	542
					788
Total governmental activities					$ 968,920

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2007
Business-type activities					
Notes payable [6]:					
Westamerica note	2017	4.33%	50-161	$ 1,570	$ 1,306
California Housing Finance Agency	2025	7.8	5-50	600	497
Housing Authority Office Building	2017	7.25	8-2,282	2,848	2,840
Rental Housing Construction Program	2055	3.00		2,627	2,627
California Community Reinvestment Corp	2023	6.60	9-6,443	10,115	9,985
					17,255
Lease revenue bonds:					
Hospital Enterprise					
1999 Los Medanos	2028	3.00-5.25	150-505	8,125	2,772
2001A Los Medanos	2026	3.15-4.15	10-265	4,125	1,120
2001B CC Regional Medical Center	2027	4.25-5.20	445-1,250	18,517	2,815
2007A	2028	4.00-5.00	0-3,691	26,521	26,330
					33,037
Certificates of participation, net:					
Hospital Replacement	2023	3.75-6.00	3,390-10,185	145,340	112,845
Total business-type activities					$ 163,137

NOTES:

(1) State environmental laws require the monitoring by the county of closed landfills for at least thirty years after closure. The liability is recognition of the estimated cost of performing the required post closure monitoring.

(2) Debt service payments are made from restricted property taxes and other revenues recorded in the debt service funds.

(3) Debt service payments are made from tax increment financing.

(4) In 1994, the county issued $337,365,000 in taxable pension obligation bonds. In 2001, the county restructured those bonds with a new issue in the amount of $107,005,000. In April 2003, the county issued $322,710,000 in taxable pension obligation bonds (2003 Series A).

(5) In July 2005, the CCC Fire Protection District issued $129,900,000 in taxable pension obligation bonds (2005 Series). Debt service payments are made from county and CCC Fire Protection District revenues.

(6) Debt service payments are made from special assessment levies on properties in each assessment district. The county administers the assessment and repayment of those bonds. Since early redemption is allowed, there may be differences between the earnings on money received from property owners wishing to pay off their debt early and the interest obligation that accumulates on their debt between the time they submit funds to the county and the next available redemption date, as stated in the bonds' official statements. The county has historically funded this difference and to that extent may be obligated in some manner for this debt.

(7) Debt service payments are made from operating revenues.

There are a number of limitations and restrictions contained in the various bond indentures. County management believes that the county is in compliance with all significant limitations and restrictions.

General, special revenue, and internal service funds have been used to liquidate compensated absences and claims payable liabilities within the governmental activities in prior years.

Following is a schedule of debt payment requirements to maturity for governmental activities for long-term obligations, excluding compensated absences and claims payable that have indefinite maturities, outstanding at June 30, 2007 (in thousands):

Fiscal Year Ending June 30	Capital Lease Obligations		Pension Obligation Bonds		Other Bonds Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	$ 2,959	583	24,855	35,561	365	201
2009	2,882	444	30,215	33,899	390	184
2010	2,804	309	33,430	31,973	405	164
2011	2,003	192	39,410	29,899	360	145
2012	1,066	113	45,990	27,540	385	126
2013-2017	1,242	273	208,720	98,207	2,110	298
2018-2022	488	41	250,470	44,089		
2023-2027			10,900	276		
Total	$ 13,444	1,955	643,990	301,444	4,015	1,118

Fiscal Year Ending June 30		Lease Revenue Bonds		Retirement Litigation Settlement	
		Principal	Interest	Principal	Interest
2008	$	8,244	8,009	775	1,985
2009		7,035	7,688	837	1,923
2010		6,124	7,399	904	1,856
2011		6,400	7,150	977	1,783
2012		5,117	6,884	1,055	1,705
2013-2017		24,419	30,868	6,682	7,118
2018-2022		71,606	21,299	9,818	3,981
2023-2027		43,330	5,653	3,761	405
2028-2032		2,358	111		
Total	$	174,633	95,061	24,809	20,756

Fiscal Year Ending June 30		Tax Allocation Bonds		Special Assessment Debt		Notes Payable	
		Principal	Interest	Principal	Interest	Principal	Interest
2008	$	815	4,875	649	705	112	34
2009		1,410	6,795	665	668	116	30
2010		2,280	6,712	400	638	71	27
2011		2,340	6,608	411	614	19	25
2012		2,415	6,500	437	589	20	24
2013-2017		13,895	30,613	4,752	2,493	120	101
2018-2022		17,860	26,693	1,225	1,357	154	67
2023-2027		23,000	21,454	1,650	929	176	23
2028-2032		29,630	14,623	2,200	351		
2033-2037		34,495	5,843				
2038-2042		4,965	139				
Total	$	133,105	130,855	12,389	8,344	788	331

As of June 30, 2007, annual debt service requirements of business-type activities to maturity, except for compensated absences, medical liability claims payable, landfill post closure liability, and other noncurrent liabilities that have indefinite maturities, are as follows (in thousands):

Fiscal Year Ending June 30	Capital Lease Obligations		Certificates of Participation		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	$ 553	77	4,610	5,999	301	1,022
2009	443	54	4,885	5,736	306	1,017
2010	462	35	5,135	5,478	325	999
2011	304	15	5,400	5,203	345	979
2012	137	4	5,685	4,904	365	958
2013-2017			33,435	19,403	4,353	4,398
2018-2022			43,510	9,033	1,498	3,032
2023-2027			10,185	280	7,135	1,235
2028-2032						390
2033-2037						393
2038-2042						395
2043-2047						395
2048-2052						395
2053-2057					2,627	237
Total	$ 1,899	185	112,845	56,036	17,255	15,845

Fiscal Year Ending June 30	Lease Revenue Bonds	
	Principal	Interest
2007	$ 856	1,519
2008	890	1,476
2009	926	1,438
2010	970	1,398
2011	898	1,355
2012-2016	1,176	6,429
2017-2021	16,779	4,931
2022-2026	10,031	1,304
2027-2031	511	23
Total	$ 33,037	19,873

New Bonds Issued

In June 2007, the Public Financing Authority, on behalf of the Agency, issued $62,205,000 in 2007 Tax Allocation Bonds, Series A, $25,500,000 in 2007 Tax Allocation Bonds, Series A-T, and $16,665,000 in 2007 Tax Allocation Bonds, Series B. The proceeds, including a premium of $2,373,891, were used 1) to refund the 1995 Series A, 1995 Series B, 2003 Series B Tax Allocation Bonds and portions of the 1999 and 2003 Series A Tax Allocation Bonds (refunded bonds); 2) to fund the initial reserve requirement of $564,713 for Series B; 3) to pay $2,231,349 in costs of issuance, including bond insurance for all three series and surety reserve fees for Series A and A-T; 4) to fund a capitalized interest account in the amount of $1,181,281; and 5) to fund the project account in the amount of $54,677,403, which will be used for

future capital projects. Of the proceeds designated for future capital projects, $19,945,207 were placed into escrow until certain conditions were met.

Proceeds in the amount of $48,088,874 and residual cash balances of $6,970,948, provided by the old debt, were placed in an irrevocable trust with an escrow agent to provide for the redemption of the refunded bonds. At June 30, 2007, the outstanding balance of the defeased bonds was $50,475,000.

Although the refunding resulted in the accounting recognition of a deferred loss of $4,224,107 for the year ended June 30, 2007, the Agency in effect reduced its aggregate debt service payments by $4,769,073 and generated net economic savings through the refundings (difference between the present values of the old and new debt service payments) of $2,484,157.

2007 Lease Revenue Bonds – In March 2007, the Public Financing Authority issued $122,065,000 of 2007 Lease Revenue Bonds, Series A. The proceeds, plus related premium of $5,230,000 and debt reserve funds of refunded debt of $2,764,000 were used as follows:

1) $32,350,000 to finance various capital projects,

2) $4,868,869 to fund the initial reserve requirement,

3) $1,384,967 to pay costs of issuance, and

4) $91,454,615 to advance refund the following outstanding debt:

• 1997 Certificates of Participation	$26,815,000
• 1999 Lease Revenue Bonds, Series A	$21,670,000
• 2001 Lease Revenue Bonds, Series A	$10,275,000
• 2001 Lease Revenue Bonds, Series B	$17,410,000
• 2002 Lease Revenue Bonds, Series A	$ 6,800,000
• 2003 Lease Revenue Bonds, Series A	$ 5,065,000

Of the $91,455,000 of proceeds described above that were used to advance refund outstanding debt, $27,516,000 was used to prepay and fully retire the 1997 Certificates of Participation and $63,938,000 was placed in an irrevocable trust with an escrow agent to provide for the redemption of the remaining 1999A, 2001A, 2001B, 2002A and 2003A Lease Revenue Bonds as they come due; the amounts as shown above for these bond issues are considered defeased and have been removed from the financial statements. The Authority reduced its aggregate debt service payments by $3,826,000 over the next 21 years and obtained a net economic gain (difference beteween the present values of the old and new debt service paymnents) of $2,580,000.

Defeased Obligations

The county has defeased certain obligations by placing a portion of the proceeds of new debt issuances in irrevocable trusts to provide for all future debt service payments on the refunded obligations. Accordingly,

the trust account assets and the liability of the defeased debt are not included on the financial statements of the county. On June 30, 2007, $138,390,000 in outstanding obligations is considered to be defeased.

LEGAL DEBT LIMIT

As of June 30, 2007, the county's debt limit (5 percent of valuation subject to taxation) was $7.326 billion. The total amount of debt applicable to the debt limit was $746 million, net of assets in the debt service funds and other deductions allowed by law. The resulting legal debt margin was $6.580 billion.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The county engages consultants to perform calculations of excess investment earnings on tax-exempt bonds and as of June 30, 2007, does not expect to incur a liability.

12. CONDUIT DEBT

From time to time Multifamily/Single Family Housing Revenue Bonds have been issued in the county's name to provide mortgage loans secured by first trust deeds on newly constructed and existing housing and to provide funds to builders for construction/remodeling of housing projects.

The bonds do not constitute an indebtedness of the county. They are payable solely from payments made on and secured by a pledge of the acquired mortgage loans or housing units and certain funds and other monies held for the benefit of the bondholders pursuant to the bond indentures. The county is not obligated in any manner for repayment of the indebtedness. Accordingly, no liability has been recorded in the basic financial statements.

As of June 30, 2007, the county had participated in the issuance of forty-one series of Multifamily or Single Family Housing Revenue Bonds. The aggregate principal amount remaining payable for the bonds issued was $412,789,000.

Not included in the above amount are two defeased issues totaling $50,245,000.

13. NET ASSETS/FUND BALANCES

The government-wide financial statements and proprietary and fiduciary fund financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- *Invested in capital assets, net of related debt* - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

- *Restricted net assets* – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted net assets* – This category represents net assets of the county, not restricted for any project or other purpose.

In the governmental fund financial statements, reserves segregate portions of fund balance that are either not available for appropriation or are legally restricted by outside parties for use.

As of June 30, 2007, reservations of fund balance are described below:

- *Encumbrances* – to reflect the outstanding contractual obligations for which goods and services have not been received.

- *Inventories* – to reflect the portion of assets which do not represent available spendable resources.

- *Advances to other funds* – to reflect the amount due from other funds that are long-term in nature. Such amounts do not represent available spendable resources.

- *Prepaid items and deposits* – to reflect amounts paid in advance by the county for goods not yet received or services not yet performed.

- *Land held for resale* – to reflect investment in land which does not represent available spendable resources.

- *Program with purpose restrictions* – consists of developer fees collected through the County's Child Care Facilities Ordinance for the purpose of creation or expansion of child care services within the redevelopment project areas and consists of a small landscaping program.

- *Escrow bonds* – two RDA escrow funds for the purpose of increasing amounts in the Program Fund and three of the 2007 Loans to the Agency pending satisfaction of certain escrow release conditions. In the event that the Agency does not satisfy the escrow release

conditions prior to June 15, 2009, the funds will be used to redeem all or a portion of the Escrow Bonds on August 1, 2009.

- *Bond proceeds with eligibility restriction* – to account for bond proceeds held in escrow by the trustee for future use on capital projects once certain eligibility requirements are met.
- *Housing projects* – to account for financial resources designated for increasing and improving the supply of housing for persons and families of low or moderate income.
- *Debt service* – to reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest or as reserves. These funds are not available for general operations.
- *Lease Purchases* – Reserve for lease purchases
- *Permanent fund-expendable portion* – to reflect the fund's accumulated expendable earnings.
- *Permanent fund-nonexpendable portion* – to reflect the fund's principal balance which is not expendable.

In the governmental fund financial statements Unreserved Fund Balance is divided into designated and undesignated portions. The designated portion represents the Board of Supervisors intended future use of available resources, but are subject to change. The undesignated portion represents resources that are available to meet the needs of the government. The designated portion of the Unreserved Fund Balance consists of the following:

- *Equipment replacement* – to reflect financial resources intended for equipment replacement.
- *Litigation/audit* – to reflect financial resources for potential litigation or audit. This is in addition to the amounts in the internal service funds.
- *Dougherty Valley* – to reflect funds from Gale Ranch I subdivision developer intended for various improvements.
- *CCC Fire Protection District capital facilities* – to reflect designated financial resources for CCC Fire Protection District's capital projects.
- *CCC Fire Protection District reserve designation* – to reflect the financial resources of the Reserve Policy established by the Board of Supervisors to serve as a prudent management tool in maintaining the long term financial health and stability of the CCC Fire Protection District.
- *General fund capital reserve* – to reflect reserved financial resources by board designation for capital projects.
- *General fund reserve designation* – to reflect the financial resources of the Reserve Policy established by the Board of Supervisors to serve as a prudent management tool in maintaining the long term financial health and stability of the county.

14. PERMANENT FUND

The Permanent Fund accounts for the financial activities and balances of donor-restricted endowments for the county's libraries. Interest income may be used for the establishment and furnishing of children's areas within libraries, literacy programs and the acquisition of books that meet the criteria of the endowments. In accordance with the terms of the endowments and the California Government Code Section 25355, only the interest income may be used; any unused income may be used in a subsequent year. The amount available for spending, $71,000, at June 30, 2007, is shown on the Statement of Net Assets as Net Assets Restricted for Permanent Fund – expendable portion.

15. EMPLOYEES' RETIREMENT PLAN

A. Plan Description

The CCCERA is a cost-sharing multiple-employer defined benefit pension plan (the plan) governed by the County Employees' Retirement Law of 1937 (the 1937 Act). The plan covers substantially all of the employees of the county, its special districts, the Housing Authority and thirteen other member agencies. The plan issues stand-alone financial statements which can be directly obtained from its office, as indicated in Note 1A.

The plan provides for retirement, disability, death and survivor benefits, in accordance with the 1937 Act. Annual cost-of-living adjustments to retirement benefits can be granted by the Retirement Board as provided by state statutes.

The plan is currently divided into seven benefit sections in accordance with the 1937 Act. These sections are known as General Tier I, enhanced and non-enhanced; Tier II; Tier III enhanced and non-enhanced; Safety enhanced and non-enhanced. On October 1, 2002, the Contra Costa County Board of Supervisors adopted Resolution No. 2002/608, which provides enhanced benefit changes commonly known as 3 percent at 50 for Safety members and 2 percent at 55 for general members, effective July 1, 2002, and January 1, 2003, respectively.

Legislation was signed by the Governor in 2002 which allowed Contra Costa County, effective October 1, 2002, to provide Tier III to all new employees, to move those previously in Tier II to Tier III as of that date, and to apply all future service as Tier III. Tier III was originally created October 1, 1998 and made available to all members with five or more years of Tier II service who elected to transfer to Tier III coverage.

Tier I includes members not mandated to be in Tier II or Tier III and reciprocal members who elect Tier I membership. County employees who were moved to Tier III effective October 1, 2002, continue to have Tier II benefits for service prior to that date unless the service is converted to Tier III.

Safety includes members in active law enforcement, active fire suppression work or certain other "Safety" classifications as designated by the Retirement Board.

Service retirement benefits are based on age, length of service and final average salary in accordance with the California Government Code Section 31462 and 31462.1. For the Tiers I, III and Safety sections, the retirement benefit is based on a one-year average salary. For Tier II, the benefit is based on a three-year average salary.

B. Funding Policy

Pursuant to provisions of the County Employees' Retirement Law of 1937, the Retirement Board recommends the annual contribution rates for adoption by the Board of Supervisors. New contribution rates, based on the actuarial study as of December 31, 2004, became effective July 1, 2006. The contribution requirements are determined as a percentage of payroll.

The employer rates were calculated on the alternate funding method permitted by the California Government Code Section 31453.5. The "entry age normal funding" method is used to calculate the rate required to provide all the benefits promised to a new member. Unfunded costs resulting from this calculation are amortized on a level percent closed basis over 17 years from the December 31, 2005, valuation date.

Active plan members are required to contribute an actuarially determined percentage of their annual covered salary. The required percentage rates vary according to the benefit section and entry age of the employee. The rates in effect during fiscal year 2005-2006 (based on covered payroll as of January 1, 2005) ranged from 6.21 percent to 27.89 percent of the employees' annual covered salary.

The county employer rates of contribution, calculated as a percentage of the county's covered payroll as determined in an actuary report as of December 31, 2003, for fiscal year 2005-2006 were:

	Non-Enhanced	Enhanced
General Members, Tier I	18.88%	22.19%
General Members, Tier II	16.33	N/A
General Members, Tier III	17.80	19.64
Safety Members, Tier A	N/A	29.90
Safety Members, Tier C	N/A	35.43
CCC Fire Department	N/A	20.64

The county's annual pension cost and prepaid pension asset, computed in accordance with GASB 27, *Accounting for Pensions by State and Local Governmental Employers*, for the year ended June 30, 2007, were as follows (in thousands):

Annual required contribution (county fiscal year basis)	$	151,551
Interest on beginning pension asset		(50,708)
Adjustment to the annual required contribution		91,569
Annual pension cost		192,412
Contributions made (including Retirement Litigation Settlement)		151,551
Increase (Decrease) in pension asset		(40,861)
Net pension asset, beginning of year		621,715
Net pension asset, end of year	$	580,854

The following table shows the county's annual pension cost and the percentage contributed for the fiscal year 2006-2007 and each of the two preceding fiscal years (in thousands):

Fiscal Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2005	$133,610	79.46%	$530,227
2006	$163,578	159.20%	$621,715
2007	$192,412	78.76%	$580,854

The county has made its annual required contribution (ARC) for each of the past three years. The difference between the ARC and the APC is due to the amortization of the Net Pension Asset.

16. PATIENT SERVICE REVENUE AND RECEIVABLES

The County Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. Charges for services are reported at estimated net realizable amounts from patients, third-party payers and others for services rendered and include estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, or investigations.

Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The County Hospital's Medicare and Medi-Cal cost reports have been audited by the fiscal intermediary through June 30, 2002 and June 30, 2005 respectively. As such,

the cost reports for the prior year are still under review by fiscal intermediaries and have not been settled due to certain unresolved reimbursement issues. The county believes it has adequately provided for any liabilities that may arise from the fiscal intermediaries' audits.

Net receivables from patients and third-party payers at June 30, 2007, are summarized as follows (in thousands):

Medicare	$	7,223
Medi-Cal		11,603
Pvt/Ins		2,754
Total Net Patient Receivables	$	21,580

The net receivables from patients and third party payers excludes an allowance for uncollectibles of approximately $4,077,000 non-patient receivables.

17. RISK MANAGEMENT

The county self-insures its unemployment, dental and management long-term disability.

The county maintains a separate insurance policy to cover the Sheriff-Coroner's two helicopters up to $50,000,000 for liability arising from the helicopters' use.

The county maintains up to $600,000,000 "All Risk" insurance coverage subject to a $50,000 deductible to cover its property, except for loss caused by earthquake or flood. Loss caused by earthquake is insured to $180,000,000 and is subject to a minimum 5 percent deductible per location with a minimum $100,000 deductible. Loss caused by flood is insured to $575,000,000 on a shared aggregate and is subject to a $100,000 minimum and $500,000 maximum deductible for property located within a 100-year flood plain. The county has $100,000,000 boiler and machinery coverage.

The county is exposed to various risk of loss related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The county currently reports its risk management activities in its Worker's Compensation Insurance, Long-Term Disability Trust, Employee Benefits Trust, and Personal Injury and Property Damage Funds (Internal Service Funds).

The county is self-insured for most insurable risk, except for excess insurance coverage provided by commercial insurance companies that are limited to the following:

- Airports hanger keepers liability in excess of $5,000 per incident, but limited to a maximum of $100 million.
- Airports property damage in excess of $5,000 per incident, but limited to a maximum of $100 million.
- Property insurance - all risk in excess of $50,000 per incident, but limited to $600 million.

- Property insurance - flood damage in excess of 2% per unit, $500,000 maximum, per incident, but limited to $575 million.
- Property insurance - earthquake in excess of 5% per unit, $100,000 minimum, but limited to a maximum of $180 million shared aggregate.
- Property insurance - terrorism limited to $200 million.
- Crime bond in excess of $50,000 per incident, but limited to a maximum of $10 million.
- General Liability in excess of $1 million per incident, but limited to a maximum of $25 million.
- Worker's Compensation in excess of $750,000 per incident, but limited to a maximum of $5 million; coverage provided by CSAC-EIA (California State Association of Counties Excess Insurance Pooling Fund. $145 million provided by Commercial Insurance Carriers.
- Medical malpractice in excess of $500,000 per incident, limited to $10 million annual aggregate; but limited to $11.5 million.
- Watercraft in excess of $1,000 per incident, but limited to a maximum of $1 million.
- Sheriff's helicopters limited to $50 million per incident.
- Boiler and machinery limited to $100 million.

During the past four years there have been no instances of the amount of claim settlements exceeding insurance coverage.

Internal service funds are used to account for the county's self-insurance activities. The county's policy is to provide in each fiscal year, by charges to affected operating funds, amounts sufficient to cover the estimated expenditures for self-insured claims. Charges to operating funds are recorded as expenditures/expenses of such funds and revenues of the internal service funds. Accrual and payment of claims are recorded in the internal service funds.

The county has accrued a liability of $115,855,000 at June 30, 2007, for all self-insured claims in the internal service funds, which includes an amount for incurred, but not reported, claims. The self-insurance reserve is based on actuarially determined amounts for workers' compensation, public and automobile liability, and medical liability and based on management's estimates for all other reserves. In the opinion of the county, the amounts accrued are adequate to cover claims incurred but not reported in addition to known claims.

Changes to the internal service funds' claims liability amount, including medical liability claims payable, for fiscal years 2005-2006 and 2006-2007 are as follows (in thousands):

Liability at June 30, 2005	$	132,270
FY 2005-2006 claims and changes in estimates		10,235
FY 2005-2006 claim payments		(21,500)
Liability at June 30, 2006		121,005
FY 2006-2007 claims and changes in estimates		22,305
FY 2006-2007 claim payments		(27,461)
Liability at June 30, 2007	$	115,849

The actuarially determined claims liabilities, including incurred but not reported claims, are based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that modify past experience. It also includes incremental claim adjustment expenses. In addition, estimated recoveries on settled and unsettled claims were evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims.

18. COMMITMENTS AND CONTINGENCIES

A. Grants

The county participates in a number of federal and state grant programs which are subject to financial and compliance audits by the grantors or their representatives. Audits of certain grant programs through June 30, 2007, have not yet been conducted. Accordingly, the county's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The county believes that such disallowances, if any, would not have a material effect on the basic financial statements.

B. Health Insurance

Health care benefits for active and retired employees are jointly financed by the beneficiaries and by the county. Most employees have a choice of participation in five medical plans: Kaiser Permanente, a private health maintenance organization (HMO); Health Net (HMO); Health Net, a preferred provider organization (PPO); and the Contra Costa Health Plans (CCHP) A and B, operated by the county Health Services Department. Employees represented by either the Deputy Sheriffs' Association (DSA), District Attorney Investigators' Association (DAIA), or United Professional Fire Fighters' IAFF Local 1230 are eligible to participate in medical plans administered by the California Public Employees' Retirement System (CalPERS).

For non-CalPERS administered medical plans, the county subvents 80.0 percent of Kaiser Permanente, 80.0 percent of Health Net (HMO), 60.0 percent of Health Net (PPO) and 98.0 percent of CCHP A and 90.0 percent of CCHP B premiums for plan members. The county subvention for CalPERS administered plans is a flat rate depending on the employees' union representation and the

number of dependents covered under the plans. All permanent employees have a choice of two dental plans as follows: a county self-funded plan administered by Delta Dental and a PMI Delta Care Plan. The county`s self-funded plan is an indemnity program and the PMI Delta Care plan is a prepaid program.

The county's contribution to health and dental plans during fiscal year 2006-2007 for active employees was $80,727,000. The county's liability for health care benefits is limited to its annual contribution.

C. Post-Employment Benefits Other Than Pensions

In addition to providing retirement benefits as described in Note 15, retired employees are allowed to continue participation in the medical and dental plans described above. As of June 30, 2007, there were 4,784 retired employees participating in the health plans, and the county contributed $33,362,000 toward payment of the premiums. The cost of retiree health care is recognized when the county makes its contribution on a pay-as-you-go basis and is accounted for in the General Fund, Library and Fire District Special Revenue Funds, enterprise funds, or fiduciary funds as appropriate. This postemployment benefit was approved by Board of Supervisors resolution number 264 on August 22, 1961, with an effective date of October 1, 1961. To be eligible, the retiring employee must have been a member of a participating health plan at the date of retirement.

D. Special Assessment Debt

The county is considered to be "obligated in some manner," as defined by GASB Statement No. 6, *Accounting and Financial Reporting for Special Assessments*, for its special assessment debt. The county is obligated to foreclose on properties for which owners have failed to pay assessment installments as they fall due and the county may honor deficiencies to the extent that lien foreclosure proceeds are insufficient. The county's obligation to advance monies to pay debt service in the event of delinquent assessment installments is limited to the amount of remaining original bond proceeds and installments received. Special assessment debt is included in the county's statement of net assets and special assessment transactions are included in the Assessment Districts Debt Service Fund. Debt service payments are made from special assessments of the related special assessment district.

E. Construction Commitments

The county had entered into contracts for the construction of certain projects. At June 30, 2007, there were outstanding commitments of $13,463,000 for Contra Costa County District Attorney's Office building, $5,057,000 for Employment and Human Services Department's Office Remodel project, and $1,968,000 for Parker Avenue Reconstruction project.

F. Pending Legal Matters

Numerous lawsuits are pending or threatened against the county. The county has recorded actuarially determined reserves in the internal service funds to adequately cover estimated potential material adverse losses at June 30, 2007.

19. SUBSEQUENT EVENTS

A. 2007-2008 Tax and Revenue Anticipation Notes, Series A

On November 15, 2007, the county issued 2007-2008 Tax and Revenue Anticipation Notes, Series A, for $180,000,000 to finance the seasonal cash flow requirements of the county during the fiscal year ending June 30, 2008. The notes bear interest at 4.0 percent and mature on December 5, 2008.

B. 2007 Series B Lease Revenue Bonds

In August 2007, the Contra Costa County Public Financing Authority, a joint powers authority between the county and the Contra Costa County Redevelopment Agency, issued $110,265,000 of 2007 Series B Lease Revenue Bonds. The proceeds of these bonds, together with restricted investments held by the Public Financing Corporation related to the Corporation's 1997 Merrithew Replacement Certificate of Participation, were used to: i) prepay on a current basis all of the Corporation's outstanding Merrithew Replacement Certificates of Participation on November 1, 2007; ii) fund a deposit into the reserve fund; and iii) pay certain costs associated with the issue.

The bonds have maturities on June 1, 2008 through June 1, 2018 and have an interest rate of 5.0 percent.

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION (Other than MD&A)

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	$ 286,900	296,868	304,323	7,455
Licenses, permits and franchise fees	14,005	13,995	15,265	1,270
Fines, forfeitures and penalties	13,840	13,868	13,714	(154)
Use of money and property	4,111	13,366	18,594	5,228
Intergovernmental	618,282	637,772	603,078	(34,694)
Charges for services	206,034	213,510	215,232	1,722
Other revenue	76,195	114,526	107,624	(6,902)
Total revenues	1,219,367	1,303,905	1,277,830	(26,075)
Expenditures:				
Current:				
General government:				
Administrator	4,423	5,045	4,499	546
Assessor	15,894	15,894	15,871	23
Auditor-Controller	7,759	7,759	7,105	654
Board Mitigation Programs	1,991	2,270	2,186	84
Board of Supervisors	6,426	6,252	4,162	2,090
Building Maintenance	31,837	35,326	35,092	234
Building Occupancy Cost	15,402	16,476	16,019	457
Central Service/Microfilm	622	299	216	83
Clerk of the Board	610	610	602	8
Community Access Television	691	1,730	755	975
County Counsel	4,322	4,322	4,056	266
County-State-WCCHCD IGT		10,000	10,000	
Crockett-Rodeo Revenues	591	591	493	98
Economic Development	67	67	46	21
Elections	11,729	11,729	8,420	3,309
Employee Benefits	3,597	3,618	2,104	1,514
Fleet Services	3,126	5,124	2,935	2,189
General Services Administration	1	3	3	
Human Resources	8,293	8,293	6,847	1,446
Information Technology	3,019	3,136	2,937	199
Insurance	8,849	5,949	4,303	1,646
Management Information Systems	1,021	1,021	642	379
Personnel Merit Board	97	97	25	72
Plant Acquisition	30,327	61,134	32,512	28,622
Purchasing	874	909	909	
Revenue Collections	2,919	2,919	2,694	225
Telecommunications	2,803	3,128	3,033	95
Treasurer-Tax Collector	5,125	5,125	5,079	46
UAAL Pension Bond Debt Service Transfer	(4,582)	(4,582)	(4,582)	
Total general government	167,833	214,244	168,963	45,281

(continued)

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public protection:				
Agriculture	4,360	4,547	4,383	164
Animal Services	9,655	9,655	9,245	410
Community Development	9,369	9,369	8,666	703
Conflict Defense Services	2,077	2,077	2,076	1
Coroner	2,466	2,883	2,883	
Criminal Grand Jury	50	50	14	36
District Attorney	26,474	26,735	24,651	2,084
Emergency Services	5,634	8,911	8,572	339
Flood Control	582	694	694	
Grand Jury	147	147	121	26
Jail	65,650	68,885	68,847	38
Jail - Health Services	15,089	17,080	17,010	70
Justice System Programs	146	146	104	42
Law and Justice Systems	399	399	342	57
Probation - Programs	25,087	25,451	24,744	707
Probation - Facilities	25,775	26,285	26,285	
Probation - Care of Court Wards	7,157	7,829	7,829	
Public Administrator	263	283	277	6
Public Defender	19,794	20,249	20,221	28
Recorder	4,315	4,315	3,687	628
Sheriff	95,088	98,824	98,537	287
Trial Court Programs	20,493	21,793	21,760	33
Vehicle Theft Programs	1,395	1,395	896	499
UAAL Pension Bond Debt Service Transfer	(19,858)	(19,858)	(19,858)	
Total public protection	321,607	338,144	331,986	6,158
Health and sanitation:				
Children's Services	7,594	7,619	7,606	13
Conservator/Guardianship	1,776	1,797	1,797	
Environmental Health	15,015	14,537	14,493	44
General Sewer Planning	20	20	20	
Health Services Homeless Program	3,641	3,495	3,491	4
Mental Health	108,732	109,679	104,048	5,631
Public Health	36,608	38,947	38,732	215
Solid Waste Management	490	437	437	
Substance Abuse	16,759	16,076	16,060	16
UAAL Pension Bond Debt Service Transfer	(4,833)	(4,833)	(4,833)	
Total health and sanitation	185,802	187,774	181,851	5,923

(continued)

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public assistance:				
Ann Adler Child & Family	92	92	79	13
Community Development	12,743	12,743	10,449	2,294
Community Services	31,709	33,682	33,301	381
Housing Rehabilitation	431	431	426	5
EHSD - Administration	4,811	4,877	4,170	707
EHSD - Child & Family	119,083	124,733	123,339	1,394
EHSD - Aging & Adult	82,929	91,894	91,816	78
EHSD - Workforce Services	138,050	132,561	127,415	5,146
EHSD - WFRC Investment Board	6,031	6,031	5,237	794
Services Integration	491	491	327	164
Veterans Services	737	738	737	1
Zero Tolerance Domestic Violence Initiative	2,051	2,791	2,224	567
UAAL Pension Bond Debt Service Transfer	(8,414)	(8,414)	(8,414)	
Total public assistance	390,744	402,650	391,106	11,544
Education:				
Cooperative Extension Services	330	330	249	81
UAAL Pension Bond Debt Service Transfer	(8)	(8)	(8)	
Total education	322	322	241	81
Public ways and facilities:				
Public Works	33,723	37,460	33,445	4,015
Road Construction	65,791	65,791	54,829	10,962
UAAL Pension Bond Debt Service Transfer	(1,640)	(1,640)	(1,640)	
Total public ways and facilities	97,874	101,611	86,634	14,977
Recreation and culture:				
Park Administration				
Total recreation and culture				
Debt service:				
Principal	93	93	93	
Interest	100	4,553	4,453	100
Total expenditures	1,164,375	1,249,391	1,165,327	84,064
Excess (deficiency) of revenues over (under) expenditures	54,992	54,514	112,503	57,989
Other Financing Sources (Uses):				
Transfers in	2,462	4,302	1,707	(2,595)
Transfers out	(54,154)	(105,563)	(104,817)	746
Premium on debt issued			1,007	1,007
Capital lease financing			3,578	3,578
Total other financing sources (uses)	(51,692)	(101,261)	(98,525)	2,736
Net change in fund balances	3,300	(46,747)	13,978	60,725
Fund Balance at Beginning of Year	135,138	135,138	135,138	
Fund Balance at End of Year	$ 138,438	88,391	149,116	60,725

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CCC FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 80,519	80,519	87,803	7,284
Licenses, permits, and franchise fees	90	90	106	16
Use of money and property	640	640	613	(27)
Intergovernmental	3,970	3,970	4,217	247
Charges for services	4,589	4,589	4,199	(390)
Other revenue	200	304	100	(204)
Total revenues	90,008	90,112	97,038	6,926
Expenditures:				
Current:				
Public protection				
Salaries and benefits	80,105	78,535	78,161	374
Services and supplies	10,786	11,877	8,236	3,641
Other charges	2,910	2,911	2,911	
Fixed assets	8,538	9,118	1,736	7,382
Expenditure transfers	8,398	8,398	8,398	
Total expenditures	110,737	110,839	99,442	11,397
Excess (deficiency) of revenues over (under) expenditures	(20,729)	(20,727)	(2,404)	18,323
Other Financing Sources (Uses):				
Transfers in			535	535
Transfers out	(2,600)	(2,600)		2,600
Total other financing sources (uses)	(2,600)	(2,600)	535	3,135
Net change in fund balance	(23,329)	(23,327)	(1,869)	21,458
Fund Balance at Beginning of the Year	31,475	31,475	32,040	565
Fund Balance at End of Year	$ 8,146	8,148	30,171	22,023

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

LAND DEVELOPMENT SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Licenses, permits and franchise fees	$ 16,819	16,819	20,210	3,391
Use of money and property	545	545	3,256	2,711
Intergovernmental	46	46	12	(34)
Charges for services	15,181	15,181	8,641	(6,540)
Other revenue	8,144	8,146	7,848	(298)
Total revenues	40,735	40,737	39,967	(770)
Expenditures:				
Public protection				
Salaries and benefits	12,733	12,630	11,586	1,044
Services and supplies	32,410	31,347	3,390	27,957
Other charges	1,458	2,072	2,026	46
Fixed assets	494	510	216	294
Expenditure transfers	6,057	6,609	6,311	298
Total public protection	53,152	53,168	23,529	29,639
Public ways and facilities				
Services and supplies	1,813	1,678	1,281	397
Other charges	307	387	238	149
Expenditure transfers	12,993	13,048	10,459	2,589
Total public ways and facilities	15,113	15,113	11,978	3,135
Total expenditures	68,265	68,281	35,507	32,774
Excess (deficiency) of revenues over (under) expenditures	(27,530)	(27,544)	4,460	32,004
Other Financing Uses:				
Transfers out	(586)	(586)	(586)	
Total other financing uses	(586)	(586)	(586)	
Net change in fund balance	(28,116)	(28,130)	3,874	32,004
Fund Balance at Beginning of Year	28,905	28,905	28,905	
Fund Balance at End of Year	$ 789	775	32,779	32,004

BUDGETS AND BUDGETARY ACCOUNTING

In accordance with the provisions of the California Government Code Sections 29000-29145 and other statutory provisions, commonly known as the County Budget Act, the Board of Supervisors legally adopts a budget for each fiscal year. Budgets are adopted on the modified accrual basis. Prior to June 30 the County Administrator develops, recommends and the Board of Supervisors adopts a proposed budget for the next fiscal year. This is based on preliminary data because the county's books have not yet been closed, ending fund balances have not been established, and the state has not yet adopted its budget. Later, after a series of public hearings the Board of Supervisors adopts a formal budget on or before October 2. This budget establishes the maximum authorized expenditures for the fiscal year that cannot be exceeded except by subsequent amendments to the budget by the Board of Supervisors and is reported in the budgetary comparison schedule as the "Original Budget."

Supplemental appropriations, which are normally financed by unanticipated revenues during the year, and any amendments or transfers of appropriations between summary accounts or departments must be approved by the Board of Supervisors. Pursuant to a Board of Supervisors Resolution, the County Administrator is authorized to approve transfers of appropriations among summary accounts within a department as deemed necessary and appropriate. Accordingly, the legal level of budgetary control by the Board of Supervisors is at the department level. Budgeted amounts amended during the fiscal year by the County Administrator and, when necessary, by resolution of the Board of Supervisors are reported in the budgetary comparison schedule as the "Final Budget."

The objective of the county's budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Supervisors. No department is permitted to spend and/or encumber more than its available appropriations. Increases in budget appropriations must be approved by the Board of Supervisors as a transfer from the Reserve for Contingencies, as a transfer from another appropriation, or as an appropriation of new or unanticipated revenue. Using the county's automated accounting system, staff of the Auditor-Controller monitors the expenditures of each department to ensure that they don't exceed the amounts appropriated by the Board of Supervisors for the year. The county uses an encumbrance system as an extension of normal budgetary accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities and are re-established, along with their encumbered appropriations as part of the following year's budget. Any appropriations remaining in the departments at the end of the fiscal year automatically lapse and are transferred to fund balance. The year-end fund balance, along with projected revenues, becomes available for appropriation the following year.

The amounts reported as expenditures by department include amounts charged each department to service the pension obligation bond debt and the liability for the Retirement Litigation Settlement because the budget includes these amounts as expenditures. "UAAL Pension Bond Debt Service Transfer" and "Retirement Litigation Settlement Transfer" are reporting adjustments made at the function level to achieve agreement with the financial statements where these expenditures are reported as transfers in accordance with GASB.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND BUDGETARY SCHEDULES

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007
(In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
Assets:					
Cash and investments	$ 264,300	13,714	16,805	175	294,994
Accounts receivable and accrued revenue	11,354	4,170	1,549		17,073
Due from other funds	5,533	230	2,243		8,006
Advances to other funds	7,666				7,666
Notes receivable	11,042		32		11,074
Prepaid items and deposits	38				38
Land held for resale	1,436		955		2,391
Restricted cash and investments	13,597	56,082	78,585	1,729	149,993
Total assets	$ 314,966	74,196	100,169	1,904	491,235
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	$ 10,608	3,074	3,205		16,887
Due to other funds	22,890	37,715	1,249	104	61,958
Advances from other funds	5,872	101	1,693		7,666
Deferred revenue	30,252		32		30,284
Total liabilities	69,622	40,890	6,179	104	116,795
Fund Balances:					
Reserved for:					
Encumbrances	3,116		19,658		22,774
Advances to other funds	7,667				7,667
Prepaid items and deposits	38				38
Land held for resale	1,436		955		2,391
Programs with purpose restrictions			613		613
Escrowed bonds	4,395		15,550		19,945
Bond proceeds with eligibility restrictions	9,212		45,245		54,457
Housing projects	786				786
Debt service		33,306			33,306
Permanent fund-expendable portion				71	71
Permanent fund-nonexpendable portion				1,729	1,729
Unreserved, designated for:					
Equipment replacement	6,130				6,130
Unreserved, undesignated, reported in:					
Special revenue funds	212,564				212,564
Capital projects funds			11,969		11,969
Total fund balances	245,344	33,306	93,990	1,800	374,440
Total liabilities and fund balances	$ 314,966	74,196	100,169	1,904	491,235

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
Revenues:					
Taxes	$ 75,440	8,966	7,940		92,346
Licenses, permits and franchise fees	7,437				7,437
Fines, forfeitures and penalties	4,586				4,586
Use of money and property	10,447	21,958	2,964	76	35,445
Intergovernmental	61,112		924		62,036
Charges for services	37,381				37,381
Other revenue	19,056	10,065	165		29,286
Total revenues	215,459	40,989	11,993	76	268,517
Expenditures:					
Current:					
General government	2,922	24,024			26,946
Public protection	97,013				97,013
Health and sanitation	8,898				8,898
Public assistance	21,092	2,280	31,212		54,584
Education	25,622				25,622
Public ways and facilities	39,114				39,114
Recreation and culture	1,642				1,642
Debt service:					
Principal	8	62,234			62,242
Debt issuance cost	278	1,083	1,953		3,314
Interest	875	52,179	28		53,082
Other charges		1,539			1,539
Total expenditures	197,464	143,339	33,193		373,996
Excess (deficiency) of revenues over (under) expenditures	17,995	(102,350)	(21,200)	76	(105,479)
Other Financing Sources (Uses):					
Transfers in	934	53,519	4,262		58,715
Transfers out	(5,224)	(3,147)	(2,361)	(104)	(10,836)
Issuance of debt	11,516	167,600	43,569		222,685
Premium on debt issued	271	4,094	2,329		6,694
Payment to refunded bond escrow agent		(118,998)			(118,998)
Total other financing sources (uses)	7,497	103,068	47,799	(104)	158,260
Net change in fund balances	25,492	718	26,599	(28)	52,781
Fund Balances at Beginning of Year	219,852	32,588	67,391	1,828	321,659
Fund Balances at End of Year	$ 245,344	33,306	93,990	1,800	374,440

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues that are restricted by law or administrative action to expenditures for specified purposes. Nonmajor special revenue funds used by the county are listed below:

ROAD FUND

This fund is used to account for maintenance and construction of roadways. Revenues consist primarily of the county's share of state highway user taxes and are supplemented by federal funds.

LIBRARY FUND

This fund is used to account for library services for all areas of the county except the city of Richmond. Property taxes provide most of the fund's revenues.

OTHER FIRE PROTECTION FUND

This fund is used to account for the East Contra Costa County and Crockett-Carquinez Fire Protection Districts fire protection services in the county. The fund is financed primarily by property taxes.

HEALTH AND SANITATION FUND

This fund is used to account for a variety of health and sanitation services. The fund is financed by state grants, the county's share of the tobacco tax and user fees.

SERVICE AREAS FUND

This fund is used to account for the provision of services such as lighting, park, or street maintenance by special districts to specific areas in the county. The fund is financed by property taxes and user charges.

FLOOD CONTROL FUND

This fund is used to account for the provision of services by special districts to control flood and storm waters. Revenues are primarily received from property taxes and federal grants.

LAW ENFORCEMENT FUND

This fund is used to account for a variety of law enforcement services financed by property taxes, narcotics seizures and court fines and fees.

COURTS AND CRIMINAL JUSTICE FUND

This fund is used to account for the improvement of courthouse and criminal justice facilities and related automated information systems. Revenues are derived from court fines and fees.

RECORDER/CLERK MODERNIZATION FUND

This fund is used to account for automation of civil and small claims functions of the courts and for micrographics and modernization of the Recorder's Office. Revenues received are from filing and recording fees.

REDEVELOPMENT AGENCY (RDA) FUND

This fund is used to account for the financial resources designated for the improvement of targeted low to moderate income housing areas and the elimination of blight.

CHILD DEVELOPMENT FUND

This fund is used to account for the financial resources designated for the county's child development programs.

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY (IHSS) FUND

This fund is used to account for services to both providers and recipients of in-home care delivered through the In-Home Supportive Services program.

OTHER SPECIAL REVENUE FUND

This fund is used to account for the activities of several non-grant special revenue funds. It includes Fish and Game, VLF Securitization, Survey Monuments, Victim Assistance, Sans Crainte Drainage and county water districts.

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2007
(In Thousands)

	Road	Library	Other Fire Protection	Health & Sanitation	Service Areas	Flood Control
Assets:						
Cash and investments	$ 71,145	10,931	11,447	22,699	27,609	48,047
Accounts receivable and accrued revenue	2,369	1,423	159	698	354	1,427
Due from other funds	892	299	21	235	1,042	333
Advances to other funds	27					27
Notes receivable						
Prepaid items and deposits	7	1				18
Land held for resale						
Restricted cash and investments						
Total assets	$ 74,440	12,654	11,627	23,632	29,005	49,852
Liabilities and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	$ 1,432	1,972	876	1,061	574	994
Due to other funds	2,514	196	13	4,074	1,848	1,849
Advances from other funds						
Deferred revenue	4,959			13,398		
Total liabilities	8,905	2,168	889	18,533	2,422	2,843
Fund Balances:						
Reserved for:						
Encumbrances	97	983			4	176
Advances to other funds	27					27
Prepaid items and deposits	7	1				18
Land held for resale						
Escrowed bonds						
Bond proceeds with purpose restriction						
Housing projects						
Unreserved, designated for:						
Equipment replacement	5,298	90				522
Unreserved, undesignated	60,106	9,412	10,738	5,099	26,579	46,266
Total fund balances	65,535	10,486	10,738	5,099	26,583	47,009
Total liabilities and fund balances	$ 74,440	12,654	11,627	23,632	29,005	49,852

Law Enforcement	Courts & Criminal Justice	Recorder/ Clerk Modernization	Redevelopment Agency	Child Development	In-Home Supportive Services	Other Special Revenue	Total
29,359	4,642	12,934	6,212	1,523		17,752	264,300
404	751	26	405	949	410	1,979	11,354
1			150	654	366	1,540	5,533
						7,612	7,666
			4,432			6,610	11,042
					12		38
			1,436				1,436
			13,597				13,597
29,764	5,393	12,960	26,232	3,126	788	35,493	314,966
489	89	154	13	461	135	2,358	10,608
7,562	326	2,076	2	1,433	641	356	22,890
			5,872				5,872
4	62		4,483	732		6,614	30,252
8,055	477	2,230	10,370	2,626	776	9,328	69,622
169		1,492	33	102		60	3,116
						7,613	7,667
					12		38
			1,436				1,436
			4,395				4,395
			9,212				9,212
			786				786
128						92	6,130
21,412	4,916	9,238		398		18,400	212,564
21,709	4,916	10,730	15,862	500	12	26,165	245,344
29,764	5,393	12,960	26,232	3,126	788	35,493	314,966

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Road	Library	Other Fire Protection	Health & Sanitation	Service Areas	Flood Control
Revenues:						
Taxes	$ 14,574	20,041	10,711	4,690	5,666	8,844
Licenses, permits and franchise fees	6	6			21	7,397
Fines, forfeitures and penalties				1,612		
Use of money and property	3,394	68	46	415	1,403	1,597
Intergovernmental	8,958	4,053	564	3,516	2,389	1,484
Charges for services	5,481	860	211	253	9,412	14,740
Other revenue	4,926	702	888	2	93	3,595
Total revenues	37,339	25,730	12,420	10,488	18,984	37,657
Expenditures:						
Current:						
General government		238				
Public protection			10,894		13,614	27,524
Health and sanitation				8,898		
Public assistance						
Education		25,431			191	
Public ways and facilities	38,655				378	2
Recreation and culture					1,633	
Debt service:						
Principal				8		
Interest				14		
Debt issuance cost						
Total expenditures	38,655	25,669	10,894	8,920	15,816	27,526
Excess (deficiency) of revenues over (under) expenditures	(1,316)	61	1,526	1,568	3,168	10,131
Other Financing Sources (Uses):						
Transfers in	30	419	25		20	
Transfers out		(680)		(1,628)	(320)	
Issuance of debt				550		
Premium on debt issued						
Total other financing sources (uses)	30	(261)	25	(1,078)	(300)	
Net change in fund balances	(1,286)	(200)	1,551	490	2,868	10,131
Fund Balances at Beginning of Year	66,821	10,686	9,187	4,609	23,715	36,878
Fund Balances at End of Year	$ 65,535	10,486	10,738	5,099	26,583	47,009

Law Enforcement	Courts & Criminal Justice	Recorder/ Clerk Modernization	Redevelopment Agency	Child Development	In-Home Supportive Services	Other Special Revenue	Total
6,340			3,199			1,375	75,440
						7	7,437
602	2,355					17	4,586
918	246		437	12		1,911	10,447
8,433	328			10,429	1,574	19,384	61,112
1,255		2,788				2,381	37,381
520			49	6,249	367	1,665	19,056
18,068	2,929	2,788	3,685	16,690	1,941	26,740	215,459
456	2,155					73	2,922
16,087		7,418				21,476	97,013
							8,898
			815	16,358	1,941	1,978	21,092
							25,622
						79	39,114
9							1,642
							8
	25		79	36		721	875
			278				278
16,552	2,180	7,418	1,172	16,394	1,941	24,327	197,464
1,516	749	(4,630)	2,513	296		2,413	17,995
276			146			18	934
(780)		(44)	(435)	(201)		(1,136)	(5,224)
			10,966				11,516
			45			226	271
(504)		(44)	10,722	(201)		(892)	7,497
1,012	749	(4,674)	13,235	95		1,521	25,492
20,697	4,167	15,404	2,627	405	12	24,644	219,852
21,709	4,916	10,730	15,862	500	12	26,165	245,344

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

ROAD SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 14,574	14,574	14,574	
Licenses, Permits			6	6
Use of money and property	886	887	3,394	2,507
Intergovernmental	11,594	14,583	8,958	(5,625)
Charges for services	8,764	10,773	5,481	(5,292)
Other revenue	7,572	7,369	4,926	(2,443)
Total revenues	43,390	48,186	37,339	(10,847)
Expenditures:				
Public ways and facilities				
Services and supplies	32,617	33,169	12,890	20,279
Other charges	7,880	7,271	4,566	2,705
Fixed assets	378	537	291	246
Expenditure transfers	20,676	25,501	20,908	4,593
Reserves	357	357		357
Total expenditures	61,908	66,835	38,655	28,180
Excess (deficiency) of revenues over (under) expenditures	(18,518)	(18,649)	(1,316)	17,333
Other Financing Sources (Uses) :				
Transfers in	487	487	30	(457)
Transfers out	(467)	(467)		467
Total other financing sources (uses)	20	20	30	10
Net change in fund balance	(18,498)	(18,629)	(1,286)	17,343
Fund Balance at Beginning of Year	66,821	66,821	66,821	
Fund Balance at End of Year	$ 48,323	48,192	65,535	17,343

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LIBRARY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 18,220	18,220	20,041	1,821
Licenses, permits and franchise fees		6	6	
Use of money and property	85	85	68	(17)
Intergovernmental	3,203	3,989	4,053	64
Charges for services	956	956	860	(96)
Other revenue	16	500	702	202
Total revenues	22,480	23,756	25,730	1,974
Expenditures:				
General government				
Fixed assets	1,039	1,039	238	801
Total general government	1,039	1,039	238	801
Education				
Salaries and benefits	18,688	17,883	16,478	1,405
Services and supplies	6,823	7,288	5,936	1,352
Other charges	2,613	2,997	2,725	272
Fixed assets	132	699	292	407
Total education	28,256	28,867	25,431	3,436
Total expenditures	29,295	29,906	25,669	4,237
Excess (deficiency) of revenues over (under) expenditures	(6,815)	(6,150)	61	6,211
Other Financing Sources (Uses):				
Transfers in	1,508	1,523	419	(1,104)
Transfers out		(680)	(680)	
Total other financing sources (uses)	1,508	843	(261)	(1,104)
Net change in fund balance	(5,307)	(5,307)	(200)	5,107
Fund Balance at Beginning of Year	10,686	10,686	10,686	
Fund Balance at End of Year	$ 5,379	5,379	10,486	5,107

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
OTHER FIRE PROTECTION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 9,437	9,437	10,711	1,274
Use of money and property			46	46
Intergovernmental	315	315	564	249
Charges for services	155	155	211	56
Other revenue	115	115	888	773
Total revenues	10,022	10,022	12,420	2,398
Expenditures:				
Public protection				
Salaries and benefits	7,924	7,941	7,879	62
Services and supplies	2,161	1,554	1,554	
Other charges	44	1,922	883	1,039
Fixed assets	5,640	4,352	578	3,774
Total expenditures	15,769	15,769	10,894	4,875
Excess (deficiency) of revenues over (under) expenditures	(5,747)	(5,747)	1,526	7,273
Other Financing Sources (Uses):				
Transfers in	3,670	3,670	25	(3,645)
Transfers out	(206)	(206)		206
Total other financing sources (uses)	3,464	3,464	25	(3,439)
Net change in fund balance	(2,283)	(2,283)	1,551	3,834
Fund Balance at Beginning of the Year	9,187	9,187	9,187	
Fund Balance at End of Year	$ 6,904	6,904	10,738	3,834

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

HEALTH AND SANITATION SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 5,214	4,748	4,690	(58)
Fines, forfeitures and penalties	1,430	1,602	1,612	10
Use of money and property	41	58	415	357
Intergovernmental	4,292	4,296	3,516	(780)
Charges for services	252	252	253	1
Other revenue			2	2
Total revenues	11,229	10,956	10,488	(468)
Expenditures:				
Current:				
Health and sanitation				
Salaries and benefits	414	423	392	31
Services and supplies	10,408	9,316	4,478	4,838
Other charges	1,787	1,875	1,693	182
Fixed assets	65	65	65	
Expenditure transfers	3,158	3,484	2,270	1,214
Total health and sanitation	15,832	15,163	8,898	6,265
Debt service:				
Principal	60	52	8	44
Interest	10	14	14	
Total expenditures	15,902	15,229	8,920	6,309
Excess (deficiency) of revenues over (under) expenditures	(4,673)	(4,273)	1,568	5,841
Other Financing Sources (Uses):				
Transfers out		(400)	(1,628)	(1,228)
Issuance of debt			550	550
Total other financing sources (uses)		(400)	(1,078)	(678)
Net change in fund balance	(4,673)	(4,673)	490	5,163
Fund Balance at Beginning of Year	4,609	4,609	4,609	
Fund Balance at End of Year	$ (64)	(64)	5,099	5,163

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

SERVICE AREAS SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 4,622	4,796	5,666	870
Licenses, permits and franchise fees	18	18	21	3
Use of money and property	594	598	1,403	805
Intergovernmental	1,402	1,402	2,389	987
Charges for services	7,312	7,313	9,412	2,099
Other revenue	20	60	93	33
Total revenues	13,968	14,187	18,984	4,797
Expenditures:				
Public protection				
Services and supplies	25,824	24,670	10,571	14,099
Other charges	1,598	2,417	2,417	
Fixed assets	2	5	5	
Expenditure transfers	425	621	621	
Reserves	22	22		22
Total public protection	27,871	27,735	13,614	14,121
Education				
Services and supplies	54	52		52
Other charges	189	191	191	
Total education	243	243	191	52
Public ways and facilities				
Salaries and benefits				
Services and supplies	4,698	4,691	10	4,681
Other charges	390	393	361	32
Expenditure transfers	2	8	7	1
Total public ways and facilities	5,090	5,092	378	4,714
Recreation and culture				
Salaries and benefits	3	8	6	2
Services and supplies	956	837	420	417
Other charges	278	564	495	69
Fixed assets	2,023	1,893	494	1,399
Expenditure transfers	242	292	218	74
Total recreation and culture	3,502	3,594	1,633	1,961
Total expenditures	36,706	36,664	15,816	20,848
Excess (deficiency) of revenues over (under) expenditures	(22,738)	(22,477)	3,168	25,645
Other Financing Sources (Uses):				
Transfers in			20	20
Transfers out		(261)	(320)	(59)
Total other financing sources (uses)		(261)	(300)	(39)
Net change in fund balance	(22,738)	(22,738)	2,868	25,606
Fund Balance at Beginning of Year	23,715	23,715	23,715	
Fund Balance at End of Year	$ 977	977	26,583	25,606

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
FLOOD CONTROL SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 6,394	6,394	8,844	2,450
Licenses, permits and franchise fees	4,887	7,112	7,397	285
Use of money and property	593	611	1,597	986
Intergovernmental	2,160	2,167	1,484	(683)
Charges for services	14,047	14,201	14,740	539
Other revenue	516	598	3,595	2,997
Total revenues	28,597	31,083	37,657	6,574
Expenditures:				
Current:				
Public protection				
Salaries and benefits	2	2	1	1
Services and supplies	25,775	27,736	19,238	8,498
Other charges	19,617	17,585	1,791	15,794
Fixed assets		95	95	
Expenditure transfers	8,344	8,893	6,399	2,494
Reserves	3,587	3,587		3,587
Total public protection	57,325	57,898	27,524	30,374
Public ways and facilities				
Services and supplies	4,589	4,589		4,589
Other charges	1,549	1,549	2	1,547
Total public ways and facilities	6,138	6,138	2	6,136
Debt service:				
Principal	67	875		875
Interest		1,136		1,136
Total expenditures	63,530	66,047	27,526	38,521
Excess (deficiency) of revenues over (under) expenditures	(34,933)	(34,964)	10,131	45,095
Other Financing Uses:				
Transfers out	(2,960)	(2,960)		2,960
Total other financing uses	(2,301)	(2,301)		2,301
Net change in fund balance	(37,234)	(37,265)	10,131	47,396
Fund Balance at Beginning of Year	36,878	36,878	36,878	
Fund Balance at End of Year	$ (356)	(387)	47,009	47,396

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 5,273	5,655	6,340	685
Fines, forfeitures and penalties	545	545	602	57
Use of money and property	197	197	918	721
Intergovernmental	7,068	8,113	8,433	320
Charges for services	927	932	1,255	323
Other revenue	359	359	520	161
Total revenues	14,369	15,801	18,068	2,267
Expenditures:				
General government				
Services and supplies	5,504	5,503	455	5,048
Other charges		2	1	1
Expenditure transfers				
Total general government	5,504	5,505	456	5,049
Public protection				
Salaries and benefits	2,351	2,373	1,714	659
Services and supplies	12,894	7,647	563	7,084
Other charges	3,208	3,279	2,734	545
Fixed assets	1,259	1,338	1,221	117
Expenditure transfers	7,834	13,379	9,855	3,524
Total public protection	27,546	28,016	16,087	11,929
Recreation and culture				
Salaries and benefits	6	6		6
Services and supplies	126	126		126
Other charges	23	23	8	15
Expenditure transfers	40	40	1	39
Total recreation and culture	195	195	9	186
Total expenditures	33,245	33,716	16,552	17,164
Deficiency of revenues under expenditures	(18,876)	(17,915)	1,516	19,431
Other Financing Sources (Uses):				
Transfers in	646	646	276	(370)
Transfers out	(614)	(1,576)	(780)	796
Total other financing sources (uses)	32	(930)	(504)	426
Net change in fund balance	(18,844)	(18,845)	1,012	19,857
Fund Balance at Beginning of Year	20,697	20,697	20,697	
Fund Balance at End of Year	$ 1,853	1,852	21,709	19,857

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

COURTS AND CRIMINAL JUSTICE SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Fines, forfeitures and penalties	$ 2,348	2,348	2,355	7
Use of money and property	120	249	246	(3)
Intergovernmental	328	328	328	
Total revenues	2,796	2,925	2,929	4
Expenditures:				
Current:				
General government				
Services and supplies	4,970	4,908		4,908
Other charges	1,984	2,174	2,155	19
Total general government	6,954	7,082	2,155	4,927
Public protection				
Services and supplies				
Total public protection				
Debt service:				
Interest	25	25	25	
Total expenditures	6,979	7,107	2,180	4,927
Excess (deficiency) of revenues over (under) expenditures	(4,183)	(4,182)	749	4,931
Net change in fund balance	(4,183)	(4,182)	749	4,931
Fund Balance at Beginning of Year	4,167	4,167	4,167	
Fund Balance at End of Year	$ (16)	(15)	4,916	4,931

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

RECORDER/CLERK MODERNIZATION SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for services	$ 2,353	2,353	2,788	435
Total revenues	2,353	2,353	2,788	435
Expenditures:				
Public protection				
Salaries and benefits	1,021	1,064	1,064	
Services and supplies	10,976	10,758	2,148	8,610
Other charges	193	368	368	
Fixed assets	5,522	5,522	3,838	1,684
Total public protection	17,712	17,712	7,418	10,294
Total expenditures	17,712	17,712	7,418	10,294
Excess (deficiency) of revenues over (under) expenditures	(15,359)	(15,359)	(4,630)	10,729
Other Financing Uses:				
Transfers out	(44)	(44)	(44)	
Total other financing uses	(44)	(44)	(44)	
Net change in fund balance	(15,403)	(15,403)	(4,674)	10,729
Fund Balance at Beginning of Year	15,404	15,404	15,404	
Fund Balance at End of Year	$ 1	1	10,730	10,729

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

REDEVELOPMENT AGENCY SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 2,619	2,619	3,199	580
Use of money and property	68	68	437	369
Other revenue	70	70	49	(21)
Total revenues	2,757	2,757	3,685	928
Expenditures:				
Current:				
Public assistance				
Services and supplies	8,376	7,773	701	7,072
Other charges	871	871	5	866
Fixed assets	455	565	109	456
Total public assistance	9,702	9,209	815	8,394
Debt service:				
Interest		79	79	
Debt issuance cost		278	278	
Total expenditures	9,702	9,566	1,172	8,394
Excess (deficiency) of revenues over (under) expenditures	(6,945)	(6,809)	2,513	9,322
Other Financing Sources (Uses):				
Transfers in			146	146
Transfers out	(300)	(436)	(435)	1
Issuance of debt			10,966	10,966
Premium on debt issued			45	45
Total other financing sources (uses)	(300)	(436)	10,722	11,158
Net change in fund balance	(7,245)	(7,245)	13,235	20,480
Fund Balance at Beginning of Year	2,627	2,627	2,627	
Fund Balance at End of Year	$ (4,618)	(4,618)	15,862	20,480

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

CHILD DEVELOPMENT SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ 8	8	12	4
Intergovernmental	9,058	10,193	10,429	236
Other revenue	6,786	7,116	6,249	(867)
Total revenues	15,852	17,317	16,690	(627)
Expenditures:				
Current:				
Public assistance				
Salaries and benefits	5,889	5,228	5,153	75
Services and supplies	1,636	1,366	1,315	51
Other charges	21	46	46	
Fixed assets	120	134	16	118
Expenditure transfers	7,953	10,324	9,828	496
Total public assistance	15,619	17,098	16,358	740
Debt Service:				
Interest	36	36	36	
Total expenditures	15,655	17,134	16,394	740
Excess of revenues over expenditures	197	183	296	113
Other Financing Sources (Uses):				
Transfers in		14		(14)
Transfers out	(201)	(201)	(201)	
Total other financing sources (uses)	(201)	(187)	(201)	(14)
Net change in fund balance	(4)	(4)	95	99
Fund Balance at Beginning of Year	405	405	405	
Fund Balance at End of Year	$ 401	401	500	99

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 1,116	1,426	1,574	148
Charges for services		207		(207)
Other revenue	17	17	367	350
Total revenues	1,133	1,650	1,941	291
Expenditures:				
Public assistance				
Salaries and benefits	1,228	1,319	1,319	
Services and supplies	166	380	274	106
Other charges	136	349	348	1
Total public assistance	1,530	2,048	1,941	107
Total expenditures	1,530	2,048	1,941	107
Excess (deficiency) of revenues over (under) expenditures	(397)	(398)		398
Net change in fund balance	(397)	(398)		398
Fund Balance at Beginning of Year	12	12	12	
Fund Balance at End of Year	$ (385)	(386)	12	398

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

OTHER SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 1,221	1,321	1,375	54
Licenses, permits and franchise fees	107	107	7	(100)
Fines, forfeitures and penalties	43	43	17	(26)
Use of money and property	475	1,270	1,911	641
Intergovernmental	20,732	21,092	19,384	(1,708)
Charges for services	4,506	4,834	2,381	(2,453)
Other revenue	1,610	1,610	1,665	55
Total revenues	28,694	30,277	26,740	(3,537)
Expenditures:				
Current:				
General government				
Services and supplies	590	590		590
Other charges	115	195	1	194
Expenditure transfers	123	125	72	53
Total general government	828	910	73	837
Public protection				
Salaries and benefits	17,632	17,682	15,361	2,321
Services and supplies	6,350	6,390	4,040	2,350
Other charges	2,653	2,690	1,123	1,567
Fixed assets	30	46	34	12
Expenditure transfers	379	940	918	22
Total public protection	27,044	27,748	21,476	6,272
Public assistance				
Salaries and benefits		155	113	42
Services and supplies	7,339	7,271	1,373	5,898
Other charges	960	929	287	642
Expenditure transfers	600	603	205	398
Total public assistance	8,899	8,958	1,978	6,980
Public ways and facilities				
Services and supplies	154	74		74
Other charges		80	79	1
Total public ways and facilities	154	154	79	75
Debt service:				
Interest	39	752	721	31
Total expenditures	36,964	38,522	24,327	14,195
Excess (deficiency) of revenues over (under) expenditures	(8,270)	(8,245)	2,413	10,658
Other Financing Sources (Uses):				
Transfers in			18	18
Transfers out	(5,070)	(5,095)	(1,136)	3,959
Premium on debt issued			226	226
Total other financing sources (uses)	(5,070)	(5,095)	(892)	4,203
Net change in fund balance	(13,340)	(13,340)	1,521	14,861
Fund Balance at Beginning of Year	24,644	24,644	24,644	
Fund Balance at End of Year	$ 11,304	11,304	26,165	14,861

DEBT SERVICE FUNDS

Debt service funds are used to account for accumulation of resources for, and payment of, principal and interest on the county's general long-term debt.

RECREATION AND PARK BONDS FUND

This fund is used to account for accumulated monies for payment of recreation and park bonds. Financing is provided by specific property tax levies.

STORM DRAINAGE BONDS FUND

This fund is used to account for accumulated monies for payment of storm drainage bonds. Financing is provided by specific property tax levies.

PUBLIC FINANCING AUTHORITY (PFA) FUND

This fund is used to account for accumulated monies for payment of general long-term debt incurred for the various financing activities of the County of Contra Costa Public Financing Authority.

RETIREMENT LITIGATION SETTLEMENT FUND

This fund is used to account for accumulated monies for payment of the additional retirement benefits for retirees from the settlement of Vernon D. Paulson, et. al. vs. Board of Retirement of the Contra Costa County Employees' Retirement Association, et al. The county has entered into an agreement with CCCERA to pay the liability for its share of the additional costs over a twenty year period.

REDEVELOPMENT AGENCY (RDA) FUND

This fund is used to account for accumulated monies for payment of general long-term debt incurred for the purchase of real property within the area of the Redevelopment Agency.

PENSION BOND FUND

This fund is used to account for accumulated monies for payment of taxable pension obligation bonds. These bonds were issued to reduce or extinguish the county's unfunded actuarial accrued liability (UAAL).

CCC FIRE PROTECTION DISTRICT PENSION BOND FUND

This fund is used to account for accumulated monies for payment of taxable pension obligation bonds for the Contra Costa County Fire Protection District. These bonds were issued to reduce or extinguish the fire district's unfunded actuarial accrued liability (UAAL).

ASSESSMENT DISTRICTS FUND

This fund is used to account for the accumulation of monies for payment of assessment district debt issued to fund assessment district capital improvement projects.

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
JUNE 30, 2007
(In Thousands)

	Recreation and Park Bonds	Storm Drainage Bonds	Public Financing Authority
Assets:			
Cash and investments	$ 83	1	28
Accounts receivable and accrued revenue			
Due from other funds			
Restricted cash and investments			39,181
Total assets	$ 83	1	39,209
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	$		
Due to other funds			23,553
Advance from other funds			
Total liabilities			23,553
Fund Balances:			
Reserved for:			
Debt service	83	1	15,656
Total fund balances	83	1	15,656
Total liabilities and fund balances	$ 83	1	39,209

Retirement Litigation Settlement	Redevelopment Agency	CCC Fire Protection District Pension Bond	County Pension Bond Debt Service	Assessment Districts	Total
2,530	3,643	5,432		1,997	13,714
	86		4,080	4	4,170
230					230
	4,513		10,436	1,952	56,082
2,760	8,242	5,432	14,516	3,953	74,196
2,760				314	3,074
	2,199		11,963		37,715
	101				101
2,760	2,300		11,963	314	40,890
	5,942	5,432	2,553	3,639	33,306
	5,942	5,432	2,553	3,639	33,306
2,760	8,242	5,432	14,516	3,953	74,196

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

DEBT SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Recreation and Park Bonds	Storm Drainage Bonds	Public Financing Authority
Revenues:			
Taxes	$ 2		
Use of money and property			19,372
Other revenue			
Total revenues	2		19,372
Expenditures:			
Current:			
General government			24,020
Public assistance	1		
Debt service:			
Principal			36,382
Interest			7,932
Debt issuance cost			1,083
Other charges			1,539
Total expenditures	1		70,956
Excess (deficiency) of revenues over (under) expenditures	1		(51,584)
Other Financing Sources (Uses):			
Transfers in			790
Transfers out			
Issuance of debt			117,765
Premium on debt issued			4,094
Deposit with escrow agent			(63,938)
Total other financing sources (uses)			58,711
Net change in fund balances	1		7,127
Fund Balances at Beginning of Year	82	1	8,529
Fund Balances at End of Year	$ 83	1	15,656

Retirement Litigation Settlement	Redevelopment Agency	CCC Fire Protection District Pension Bond	County Pension Bond Debt Service	Assessment Districts	Total
	4,858			4,106	8,966
	590	168	1,688	140	21,958
1		8,398	1,666		10,065
1	5,448	8,566	3,354	4,246	40,989
			4		24,024
	1			2,278	2,280
718	1,395	1,620	21,295	824	62,234
2,042	4,390	6,302	30,766	747	52,179
					1,083
					1,539
2,760	5,786	7,922	52,065	3,849	143,339
(2,759)	(338)	644	(48,711)	397	(102,350)
2,759	435		49,535		53,519
	(2,198)	(159)		(790)	(3,147)
	49,835				167,600
					4,094
	(55,060)				(118,998)
2,759	(6,988)	(159)	49,535	(790)	103,068
	(7,326)	485	824	(393)	718
	13,268	4,947	1,729	4,032	32,588
	5,942	5,432	2,553	3,639	33,306

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
RECREATION AND PARK BONDS DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 529	529	2	(527)
Intergovernmental	5	5		(5)
Total revenues	534	534	2	(532)
Expenditures:				
Current:				
Public assistance	72	72	1	71
Debt service:				
Principal	420	420		420
Interest	124	124		124
Total expenditures	616	616	1	615
Excess (deficiency) of revenues over (under) expenditures	(82)	(82)	1	83
Net change in fund balance	(82)	(82)	1	83
Fund Balance at Beginning of Year	82	82	82	
Fund Balance at End of Year	$		83	83

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
STORM DRAINAGE BONDS DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 5	5		(5)
Total revenues	5	5		(5)
Expenditures:				
Debt service:				
Principal	5	5		5
Total expenditures	5	5		5
Excess (deficiency) of revenues over (under) expenditures				
Net change in fund balance				
Fund Balance at Beginning of Year	1	1	1	
Fund Balance at End of Year	$ 1	1	1	

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

RETIREMENT LITIGATION SETTLEMENT DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Other revenue	$		1	1
Total revenues			1	1
Expenditures:				
Debt service:				
Principal	718	718	718	
Interest	2,042	2,042	2,042	
Total expenditures	2,760	2,760	2,760	
Excess (deficiency) of revenues over (under) expenditures	(2,760)	(2,760)	(2,759)	1
Other Financing Sources:				
Transfers in	2,760	2,760	2,759	(1)
Total other financing sources	2,760	2,760	2,759	(1)
Net change in fund balance				
Fund Balance at Beginning of Year				
Fund Balance at End of Year	$			

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
REDEVELOPMENT AGENCY DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 6,054	6,054	4,858	(1,196)
Use of money and property			590	590
Total revenues	6,054	6,054	5,448	(606)
Expenditures:				
Current:				
Public assistance	3	3	1	2
Debt service:				
Principal	1,395	1,395	1,395	
Interest	4,656	3,178	4,390	(1,212)
Total expenditures	6,054	4,576	5,786	(1,210)
Deficiency of revenues under expenditures		1,478	(338)	(1,816)
Other Financing Sources (Uses):				
Transfers in			435	435
Transfers out			(2,198)	(2,198)
Issuance of debt		35,050	49,835	14,785
Deposit with escrow agent		(41,565)	(55,060)	(13,495)
Total other financing sources (uses)		(6,515)	(6,988)	(473)
Net change in fund balance		(5,037)	(7,326)	(2,289)
Fund Balance at Beginning of Year	13,268	13,268	13,268	
Fund Balance at End of Year	$ 13,268	8,231	5,942	(2,289)

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

CCC FIRE PROTECTION DISTRICT PENSION BOND DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ 166	166	168	2
Other revenue	3,134	3,134	8,398	5,264
Total revenues	3,300	3,300	8,566	5,266
Expenditures:				
Debt service:				
Principal	1,620	1,620	1,620	
Interest	6,302	6,302	6,302	
Services and supplies	165	165		165
Total expenditures	8,087	8,087	7,922	165
Excess (deficiency) of revenues over (under) expenditures	(4,787)	(4,787)	644	5,431
Other Financing Uses:				
Transfers out	(160)	(160)	(159)	1
Total other financing uses	(160)	(160)	(159)	1
Net change in fund balance	(4,947)	(4,947)	485	5,432
Fund Balance at Beginning of Year	4,947	4,947	4,947	
Fund Balance at End of Year	$		5,432	5,432

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
COUNTY PENSION BOND DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ 842	842	1,688	846
Other revenue		1,666	1,666	
Total revenues	842	2,508	3,354	846
Expenditures:				
Current:				
General government	2,570	2,570	4	2,566
Debt service:				
Principal	21,295	21,295	21,295	
Interest	30,766	30,766	30,766	
Total expenditures	54,631	54,631	52,065	2,566
Excess (deficiency) of revenues over (under) expenditures	(53,789)	(52,123)	(48,711)	3,412
Other Financing Sources:				
Transfers in	52,060	50,394	49,535	(859)
Total other financing sources	52,060	50,394	49,535	(859)
Net change in fund balance	(1,729)	(1,729)	824	2,553
Fund Balance at Beginning of Year	1,729	1,729	1,729	
Fund Balance at End of Year	$		2,553	2,553

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources to be used for the acquisition of land or acquisition and construction of major facilities other than those financed in the proprietary funds.

REDEVELOPMENT AGENCY (RDA) FUND

This fund accounts for the acquisition of real property and construction of improvements thereon in the county's unincorporated areas by the Redevelopment Agency for the purpose of removing or preventing blight.

COUNTY FACILITIES FUND

This fund is used to account for improvements made to Juvenile Hall facilities and other miscellaneous capital projects.

ASSESSMENT DISTRICTS FUND

This fund is used to account for all the capital improvement projects constructed using assessment district funds.

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2007
(In Thousands)

	Redevelopment Agency	County Facilities	Assessment Districts	Total
Assets:				
Cash and investments	$ 16,101		704	16,805
Accounts receivable and accrued revenue (net)	1,548		1	1,549
Due from other funds	2,243			2,243
Notes receivable	32			32
Land held for resale	955			955
Restricted cash and investments	74,936		3,649	78,585
Total assets	$ 95,815		4,354	100,169
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	$ 3,204		1	3,205
Due to other funds	1,249			1,249
Advances from other funds	1,693			1,693
Deferred revenue	32			32
Total liabilities	6,178		1	6,179
Fund balances:				
Reserved for:				
Encumbrances	19,658			19,658
Land held for resale	955			955
Programs with purpose restrictions	613			613
Escrowed bonds	15,550			15,550
Bond proceeds with eligibility restrictions	45,245			45,245
Unreserved, undesignated:	7,616		4,353	11,969
Total fund balances	89,637		4,353	93,990
Total liabilities and fund balances	$ 95,815		4,354	100,169

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

CAPITAL PROJECTS FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Redevelopment Agency	County Facilities	Assessment Districts	Total
Revenues:				
Taxes	$ 7,940			7,940
Use of money and property	2,775	2	187	2,964
Intergovernmental	924			924
Other revenue	88	77		165
Total revenues	11,727	79	187	11,993
Expenditures:				
Current:				
Public assistance	31,212			31,212
Debt service:				
Interest	28			28
Bond issuance cost	1,953			1,953
Total expenditures	33,193			33,193
Excess of revenues over expenditures	(21,466)	79	187	(21,200)
Other Financing Sources (Uses):				
Transfers in	4,262			4,262
Transfers out	(2,210)	(151)		(2,361)
Premium on debt issued	2,329			2,329
Issuance of debt	43,569			43,569
Total other financing sources (uses)	47,950	(151)		47,799
Net change in fund balance	26,484	(72)	187	26,599
Fund Balances at Beginning of Year	63,153	72	4,166	67,391
Fund Balances at End of Year	$ 89,637		4,353	93,990

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 7,044	7,044	7,940	896
Use of money and property	151	151	2,775	2,624
Intergovernmental	807	807	924	117
Other revenue	11,327	11,327	88	(11,239)
Total revenues	19,329	19,329	11,727	(7,602)
Expenditures:				
Current:				
Public assistance				
Salaries and benefits	19	19	6	13
Services and supplies	69,431	69,374	25,597	43,777
Other charges	11,615	7,489	4,298	3,191
Fixed assets	1,550	1,550	20	1,530
Expenditure transfers	1,463	1,483	1,291	192
Total public assistance	84,078	79,915	31,212	48,703
Debt service:				
Interest	33	33	28	5
Bond issuance cost		1,953	1,953	
Total expenditures	84,111	81,901	33,193	48,708
Excess (deficiency) of revenues over (under) expenditures	(64,782)	(62,572)	(21,466)	41,106
Other Financing Sources (Uses):				
Transfers in	1,901	1,900	4,262	2,362
Transfers out		(2,210)	(2,210)	
Premium on debt issued			2,329	2,329
Issuance of debt			43,569	43,569
Total other financing sources (uses)	1,901	(310)	47,950	48,260
Net change in fund balance	(62,881)	(62,882)	26,484	89,366
Fund Balance at Beginning of Year	63,153	63,153	63,153	
Fund Balance at End of Year	$ 272	271	89,637	89,366

COUNTY OF CONTRA COSTA

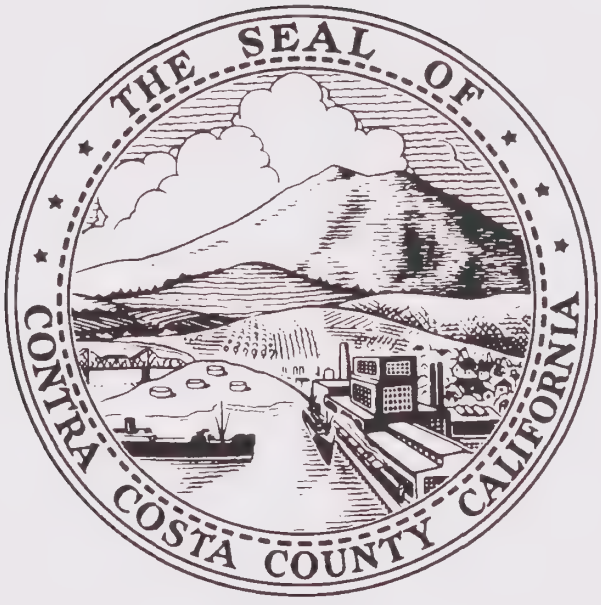
BUDGETARY COMPARISON SCHEDULE

COUNTY FACILITIES CAPITAL PROJECTS FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$	2	2	
Other revenue			77	
Total revenues		2	79	77
Expenditures:				
Current:				
Services and supplies	71			
Total general government	71			
Total expenditures	71			
Excess (deficiency) of revenues over (under) expenditures	(71)	2	79	77
Other Financing Uses:				
Transfers out		(151)	(151)	
Total other financing uses		(151)	(151)	
Net change in fund balance	(71)	(149)	(72)	77
Fund Balance at Beginning of Year	72	72	72	
Fund Balance at End of Year	$ 1	(77)		77


THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

Nonmajor Governmental Fund

PERMANENT FUND

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs. The county's Permanent Fund is included in the combining financial statements of the nonmajor governmental funds (starting on page 97).

LIBRARY GIFT PERMANENT FUND

This fund is used to account for principal trust amounts received and related interest income. The interest portion of the fund is used to support the county libraries.

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is to have the costs (expenses, including depreciation and amortization) of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the county has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

AIRPORT FUND

This fund was established to account for the financial activities of the Buchanan Field and Byron Airport aviation facilities. Revenues include receipts under rental and lease arrangements involving county airport facilities, and state and federal aid.

SHERIFF LAW ENFORCEMENT TRAINING CENTER FUND

This fund was established to account for the financial activities of the Sheriff Law Enforcement Training Center. The center provides training to law enforcement personnel from the County Sheriff's Office and other agencies. Revenues include tuition fees paid by the student or law enforcement agency and state aid.

HMO MEDI-CAL PLAN

Revenues and expenditures are capitation payments and costs related to Medi-Cal eligible's enrolled in the Medi-Cal Plan.

HMO COMMERCIAL PLAN

Revenues and expenditures are related to Medicare, county employees, and private citizens enrolled in the Commercial Plan. In addition to monthly insurance capitation payments, revenues include realignment funds, National Master Tobacco Settlement funds, and subsidies from the General Fund.

MAJOR RISK MEDICAL INSURANCE FUND

Revenues and Expenditures related to residents who qualify for the State sponsored Aid to Infants and Mothers (AIM) Program and the Major Risk Medical Insurance Program (MRMIP).

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2007
(In Thousands)

	Airport	Sheriff Law Enforcement Training Center	HMO Medi-Cal Plan	HMO Commercial Plan	Major Risk Medical Insurance	Total
Assets:						
Current assets:						
Cash and investments	$ 1,468		11,597	14,678	424	28,167
Accounts receivable and accrued revenue (net)	1,261	93	928	4,851	2	7,135
Inventories	5					5
Due from other funds	9	589	6,242	1,373		8,213
Prepaid items and deposits						
Total current assets	2,743	682	18,767	20,902	426	43,520
Noncurrent assets:						
Restricted cash and investments	20					20
Capital assets:						
Nondepreciable	12,195					12,195
Depreciable, net	9,831	335	38			10,204
Total noncurrent assets	22,046	335	38			22,419
Total assets	$ 24,789	1,017	18,805	20,902	426	65,939
Liabilities and Net Assets						
Liabilities:						
Current liabilities:						
Accounts payable and accrued liabilities	$ 583	95	13,392	6,955	6	21,031
Accrued interest payable	9					9
Due to other funds	127	1,207	2,512	10,040	68	13,954
Deferred revenue	685			226		911
Current portion of long-term liabilities	323	4	34			361
Total current liabilities	1,727	1,306	15,938	17,221	74	36,266
Noncurrent portion of long-term liabilities:						
Capital lease obligations	838					838
Compensated absences	96	39	309			444
Total noncurrent portion of long-term liabilities	934	39	309			1,282
Total liabilities	2,661	1,345	16,247	17,221	74	37,548
Net Assets:						
Invested in capital assets, net of related debt	20,877	335	38			21,250
Restricted					352	352
Unrestricted	1,251	(663)	2,520	3,681		6,789
Total net assets	22,128	(328)	2,558	3,681	352	28,391
Total liabilities and net assets	$ 24,789	1,017	18,805	20,902	426	65,939

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(In Thousands)

	Airport	Sheriff Law Enforcement Training Center	HMO Medi-Cal Plan	HMO Commercial Plan	Major Risk Medical Insurance	Total
Operating Revenues:						
Use of money and property	$ 3,305			1,337	23	4,665
Charges for services	16	927	77,261	60,673	1,360	140,237
Other revenue	446	15				461
Total operating revenues	3,767	942	77,261	62,010	1,383	145,363
Operating Expenses:						
Salaries and employee benefits	1,809	1,170	9,546			12,525
Services and supplies	770	184	67,806	90,629	1,892	161,281
Other charges	400	119	4,322			4,841
Expenditure transfers	223					223
Depreciation	1,716	31	10			1,757
Total operating expenses	4,918	1,504	81,684	90,629	1,892	180,627
Operating income (loss)	(1,151)	(562)	(4,423)	(28,619)	(509)	(35,264)
Nonoperating Revenues (Expenses):						
State and federal grants	1,813	391		24,819		27,023
Investment income	3					3
Interest expense	(54)		(19)	(17)		(90)
Total nonoperating revenues (expenses)	1,762	391	(19)	24,802		26,936
Income (Loss) Before Transfers	611	(171)	(4,442)	(3,817)	(509)	(8,328)
Transfers in		584		5,071		5,655
Transfers out	(151)	(64)	(399)			(614)
Change in net assets	460	349	(4,841)	1,254	(509)	(3,287)
Total Net Assets at Beginning of Year	21,668	(677)	7,399	2,427	861	31,678
Total Net Assets at End of Year	$ 22,128	(328)	2,558	3,681	352	28,391

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(In Thousands)

	Airport	Sheriff Law Enforcement Training Center	HMO Medi-Cal Plan	HMO Commercial Plan	Major Risk Medical Insurance	Total
Cash Flows from Operating Activities:						
Cash received from customers/other funds	$ 2,574	275	72,276	59,637	1,475	136,237
Cash payment to suppliers for goods and services	(1,206)	(36)	(68,832)	(92,734)	(1,952)	(164,760)
Cash payment to employees for services	(1,778)	(1,150)	(9,566)			(12,494)
Net Cash Provided by Operating Activities	(410)	(911)	(6,122)	(33,097)	(477)	(41,017)
Cash Flows from Noncapital Financing Activities:						
State and federal grants	1,813	391		24,819		27,023
Transfers received		584		5,071		5,655
Transfers paid	(151)	(64)	(399)			(614)
Due to other funds						
Net Cash Provided by (Used for) Noncapital Financing Activities	1,662	911	(399)	29,890		32,064
Cash Flows from Capital and Related Financing Activities:						
Acquisition and construction of capital assets	(757)					(757)
Interest paid	(54)		(19)	(17)		(90)
Lease purchase obligation principal payment	(151)					(151)
Net Cash Used in Capital and Related Financing Activities	(962)		(19)	(17)		(998)
Cash Flows from Investing Activities:						
Interest received on investments	3					3
Net Cash Provided by Investing Activities	3					3
Net Increase (Decrease) in Cash and Cash Equivalents	293		(6,540)	(3,224)	(477)	(9,948)
Cash and Cash Equivalents at Beginning of Year	1,195		18,137	17,902	901	38,135
Cash and Cash Equivalents at End of Year	$ 1,488		11,597	14,678	424	28,187
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:						
Operating income (loss)	$ (1,151)	(562)	(4,423)	(28,619)	(509)	(35,264)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:						
Depreciation	1,716	31	10			1,757
Changes in operating assets and liabilities:						
Decrease (increase) in:						
Accounts receivable and accrued revenue	(1,160)	(78)	(840)	(1,088)	31	(3,135)
Inventories	31					31
Due from other funds	(6)	(589)	(4,145)	(1,285)	61	(5,964)
Prepaid items and deposits	15	37				52
Increase (decrease) in:						
Accounts payable and accrued liabilities	112	12	1,447	(7,097)	(2)	(5,528)
Due to other funds	42	237	1,857	4,766	(58)	6,844
Deferred revenue	(27)			226		199
Compensated absences	18	1	(28)			(9)
Net Cash Provided by (Used in) Operating Activities	$ (410)	(911)	(6,122)	(33,097)	(477)	(41,017)

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

INTERNAL SERVICE FUNDS

SELF-INSURANCE FUNDS

These funds are used to account for administrative costs and payments of claims under the various insurance programs. Revenues are primarily premiums paid by other operating funds and interest on investments. The insurance programs are:

Employee Dental Insurance
Long-Term Disability Insurance (Management Employees)
Workers' Compensation Insurance

- County General
- Fire Protection

Automotive Liability Insurance
Public (General) Liability Insurance
State Unemployment Insurance
Medical Liability Insurance
Special District Property Insurance

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
JUNE 30, 2007
(In Thousands)

	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General	Workers' Compensation Insurance Fire Protection
Assets:				
Cash and investments	$ 3,006	2,353	61,969	14,346
Accounts receivable and accrued revenue (net)			3,054	765
Due from other funds				11
Total assets	$ 3,006	2,353	65,023	15,122
Liabilities and Equity:				
Liabilities:				
Accounts payable	$		5	
Due to other funds	49	6	683	98
Claims payable:				
Current	472	396	38,296	5,860
Noncurrent			33,872	9,415
Total liabilities	521	402	72,856	15,373
Net Assets:				
Unrestricted net assets	2,485	1,951	(7,833)	(251)
Total net assets	2,485	1,951	(7,833)	(251)
Total liabilities and net assets	$ 3,006	2,353	65,023	15,122

Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
3,703	25,282	2,638	6,295	1,924	121,516
1	2	99		1	3,922
68					79
3,772	25,284	2,737	6,295	1,925	125,517
	1				6
10	320	14	58	1	1,239
564	6,983	221	1,647		54,439
884	11,898		5,341		61,410
1,458	19,202	235	7,046	1	117,094
2,314	6,082	2,502	(751)	1,924	8,423
2,314	6,082	2,502	(751)	1,924	8,423
3,772	25,284	2,737	6,295	1,925	125,517

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General	Workers' Compensation Insurance Fire Protection
Operating Revenues:				
Charges for services	$ 9,354		36,954	9,269
Total operating revenues	9,354		36,954	9,269
Operating Expenses:				
Services and supplies	574	24	5,781	524
Benefit and claim expense	8,334	690	9,137	5,311
Total operating expenses	8,908	714	14,918	5,835
Operating Income (Loss)	446	(714)	22,036	3,434
Nonoperating Revenues:				
State and federal grants				
Investment income	49	132	2,139	304
Income (loss) before transfers	495	(582)	24,175	3,738
Transfers in				
Transfers out				
Change in net assets	495	(582)	24,175	3,738
Total Net Assets at Beginning of Year	1,990	2,533	(32,008)	(3,989)
Total Net Assets at End of Year	$ 2,485	1,951	(7,833)	(251)

Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
833	3,150	1,139	22	1,046	61,767
833	3,150	1,139	22	1,046	61,767
154	3,994	17	2,837	417	14,322
60	1,721	480	1,542	186	27,461
214	5,715	497	4,379	603	41,783
619	(2,565)	642	(4,357)	443	19,984
13	1,293	92		32	4,054
632	(1,272)	734	(4,357)	475	24,038
	1,996		4,000		5,996
(1)					(1)
631	724	734	(357)	475	30,033
1,683	5,358	1,768	(394)	1,449	(21,610)
2,314	6,082	2,502	(751)	1,924	8,423

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(In Thousands)

	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General
Cash Flows from Operating Activities:			
Cash received from customers/other funds	$ 9,354		36,302
Cash payment to suppliers for goods and services	(8,910)	(760)	(20,508)
Net Cash Provided by (Used for) Operating Activities	444	(760)	15,794
Cash Flows from Noncapital Financing Activities:			
Transfers received			
Net Cash Provided by Noncapital Financing Activities			
Cash Flows from Investing Activities:			
Interest received on investments	49	132	2,139
Net Cash Provided by Investing Activities	49	132	2,139
Net Increase (Decrease) in Cash and Cash Equivalents	493	(628)	17,933
Cash and Cash Equivalents at Beginning of Year	2,513	2,981	44,036
Cash and Cash Equivalents at End of Year	$ 3,006	2,353	61,969
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	$ 446	(714)	22,036
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Accounts receivable and accrued revenue			(654)
Due from other funds			2
Increase (decrease) in:			
Accounts payable and accrued liabilities		(27)	(5,669)
Due to other funds	(2)	(19)	79
Net Cash Provided by (Used for) Operating Activities	$ 444	(760)	15,794

Workers' Compensation Insurance Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
9,047	835	3,280	1,135	22	1,049	61,024
(3,942)	(395)	(7,741)	(500)	(3,502)	(613)	(46,871)
5,105	440	(4,461)	635	(3,480)	436	14,153
		1,996		4,000		5,996
		1,996		4,000		5,996
304	13	1,293	92		32	4,054
304	13	1,293	92		32	4,054
5,409	453	(1,172)	727	520	468	24,203
8,937	3,250	26,454	1,911	5,775	1,456	97,313
14,346	3,703	25,282	2,638	6,295	1,924	121,516
3,434	619	(2,565)	642	(4,357)	443	19,984
(222)	2	93	(4)		3	(782)
		37				39
1,876	(183)	(1,992)	(1)	844		(5,152)
17	2	(34)	(2)	33	(10)	64
5,105	440	(4,461)	635	(3,480)	436	14,153

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

FIDUCIARY FUNDS

AGENCY FUNDS

TAX LOSSES RESERVE

This fund was established as a reserve for all delinquent secured taxes. It accumulates gains from tax sales and specified amounts of penalties and interest collected on delinquent secured taxes to cover possible future losses on the sale of tax-deeded property.

UNAPPORTIONED TAXES

This fund is used to account for unsecured taxes receivable, delinquent secured taxes, amounts which are impounded because of disputes or litigation and amounts held pending authority for apportionment.

OTHER AGENCIES

This fund is used to account for assets held by the county for individuals, private organizations and other governmental units. This fund includes payroll deduction clearing and other collections clearing monies.

COUNTY OF CONTRA COSTA

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
Tax Losses Reserve:				
Assets:				
Cash and investments	$ 20,621	13,629	98	34,152
Due from other governments	5,714	7,407	5,714	7,407
Total assets	$ 26,335	21,036	5,812	41,559
Liabilities:				
Due to other governments		8,000		8,000
Tax loss guarantees	$ 26,335	15,322	8,098	33,559
Total liabilities	$ 26,335	23,322	8,098	41,559
Unapportioned Taxes:				
Assets:				
Accounts receivable	$ 12,309	76,559	43,153	45,715
Due from other governments	2	129,276	50,924	78,354
Taxes receivable	175,486	900,635	860,264	215,857
Total assets	$ 187,797	1,106,470	954,341	339,926
Liabilities:				
Accounts payable	$ 76,459	96,898	95,744	77,613
Due to other governments	23,368	180,068	51,082	152,354
Unapportioned taxes	87,970	1,369,144	1,347,155	109,959
Total liabilities	$ 187,797	1,646,110	1,493,981	339,926
Other Agencies:				
Assets:				
Cash and investments	$ 171,036	1,451,020	1,516,921	105,135
Accounts receivable	13,726	20,438	16,586	17,578
Due from other governments	771	5,104	5,875	
Total assets	$ 185,533	1,476,562	1,539,382	122,713
Liabilities:				
Warrants outstanding	$ 83,051	477,385	524,322	36,114
Accounts payable	18,850	816,377	813,094	22,133
Due to other governments	9,052	15,289	24,341	
Due to other agencies and districts	74,580	266,874	276,988	64,466
Total liabilities	$ 185,533	1,575,925	1,638,745	122,713

(Continued)

COUNTY OF CONTRA COSTA

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(In Thousands)

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
Totals-Agency Funds:				
Assets:				
Cash and investments	$ 191,657	1,464,649	1,517,019	139,287
Accounts receivable	26,036	96,997	59,740	63,293
Due from other governments	6,486	141,787	62,512	85,761
Taxes receivable	175,486	900,635	860,264	215,857
Total assets	$ 399,665	2,604,068	2,499,535	504,198
Liabilities:				
Warrants outstanding	$ 83,051	477,385	524,322	36,114
Accounts payable	95,309	913,275	908,838	99,746
Due to other governments	32,420	203,357	75,423	160,354
Unapportioned taxes	87,970	1,369,144	1,347,155	109,959
Tax loss guarantees	26,335	15,322	8,098	33,559
Due to other agencies and districts	74,580	266,874	276,988	64,466
Total liabilities	$ 399,665	3,245,357	3,140,824	504,198

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

STATISTICAL SECTION

COUNTY OF CONTRA COSTA

Statistical Section

The county adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 44, Economic Conditions Reporting: The Statistical Section. The statement is intended to improve consistency and comparability in reporting and to provide clearer guidance regarding the applicability of the standards for the statistical section to all types of governmental entities.

This part of the county's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the county's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the county's most significant local revenue sources, taxes and license/permits and franchise fees imposed by the county.

Debt Capacity

These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future.

Economic & Demographic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.

Operating Information

Theses schedules contain service and capital asset data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.

Note: The county implemented GASB Statement No. 34 in FY 2001-02. Schedules presenting government-wide information include information beginning in that year.

COUNTY OF CONTRA COSTA

NET ASSETS BY COMPONENT[2]

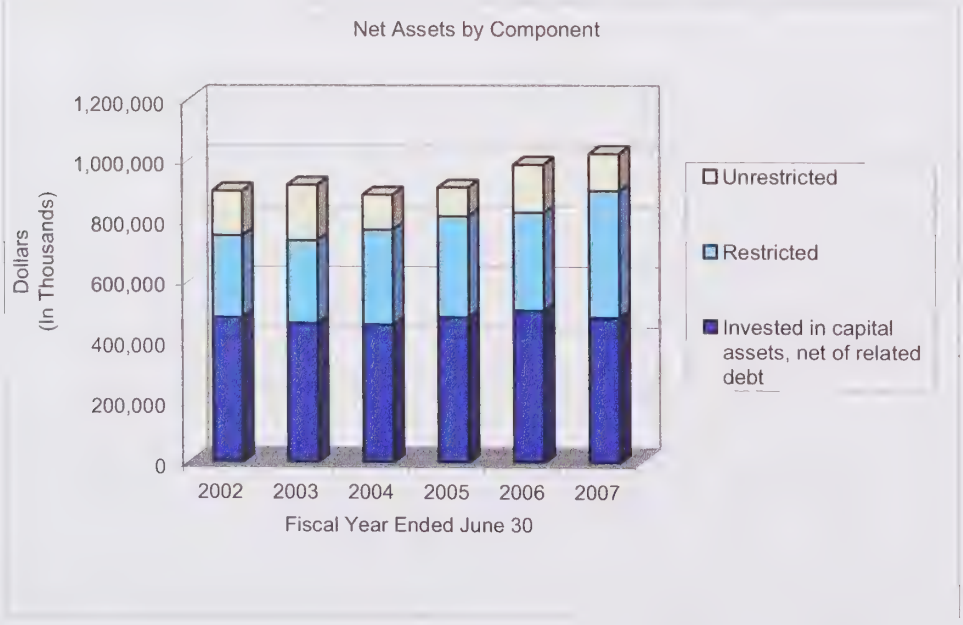
LAST SIX FISCAL YEARS

(Accrual basis of accounting)

(In Thousands)

(Unaudited)

	Fiscal Year Ending June 30					
	2002	2003	2004	2005	2006	2007
Governmental activities						
Invested in capital assets, net of related debt[1]	$ 437,866	415,444	400,332	420,834	436,879	415,045
Restricted	259,481	264,054	303,797	319,706	309,387	401,842
Unrestricted	131,292	161,121	70,953	58,002	136,193	104,895
Total governmental activities net assets	828,639	840,619	775,082	798,542	882,459	921,782
Business-type activities						
Invested in capital assets, net of related debt	38,558	41,987	52,808	58,366	63,957	62,470
Restricted	11,376	10,535	10,535	13,132	14,242	18,483
Unrestricted	16,798	22,929	45,146	37,935	23,257	17,559
Total business-type activities net assets	66,732	75,451	108,489	109,433	101,456	98,512
Primary government						
Invested in capital assets, net of related debt	476,424	457,431	453,140	479,200	500,836	477,515
Restricted	270,857	274,589	314,332	332,838	323,629	420,325
Unrestricted	148,090	184,050	116,099	95,937	159,450	122,454
Total primary governmental net assets	$ 895,371	916,070	883,571	907,975	983,915	1,020,294



[1] Capital assets include land, easements, infrastructure, construction in progress, structures & improvements, and equipment.

[2] Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted only when an external party, such as to state or federal government, places a restriction on how the resources may be used, or through enabling legislation enacted by the county.

Trend data is only available for the last six fiscal years due to the implementation of GASB 34 in fiscal year ending June 30, 2002.

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(Accrual basis of accounting)
(In Thousands)
(Unaudited)

	Fiscal Year Ending June 30					
	2002	2003	2004	2005	2006	2007
Expenses						
Governmental activities						
General government	$ 115,534	91,367	103,796	129,016	166,470	165,911
Public protection	365,757	403,297	421,782	441,068	451,053	500,698
Health and sanitation	184,109	209,772	220,135	201,567	185,966	181,922
Public assistance	328,450	372,499	391,906	391,620	396,538	426,503
Education	16,364	18,822	20,217	21,321	22,647	25,452
Public ways and facilities	56,197	58,886	56,983	63,648	76,561	99,630
Recreation and culture	793	875	1,294	1,421	1,425	1,298
Interest on debt	36,340	33,029	48,072	48,855	55,532	81,243
Total government activities expenses	1,103,544	1,188,547	1,264,185	1,298,516	1,356,192	1,482,657
Business-type activities						
County Hospital	229,584	245,497	275,301	306,871	310,911	325,208
Health Maintenance Organization	112,386	117,677	136,374	142,887		
HMO Medi-Cal Plan[2]					69,434	81,703
HMO Commercial Plan					83,654	90,646
Airport	4,323	4,554	4,668	4,903	5,239	4,972
Housing Authority	65,038	82,591	99,676	101,331	97,351	97,278
Major risk medical insurance	931	1,744	1,104	1,819	1,625	1,892
Sheriff Law Enforcement Training Center	1,106	1,578	1,435	1,288	1,319	1,504
Total business-type activities expenses	413,368	453,641	518,558	559,099	569,533	603,203
Total primary government expenses	$ 1,516,912	1,642,188	1,782,743	1,857,615	1,925,725	2,085,860
Program revenues						
Governmental activities						
Charges for services						
General government	$ 73,680	71,976	94,121	81,289	92,169	97,371
Public protection	100,344	117,342	119,133	122,919	137,069	140,065
Health and sanitation	51,533	60,587	66,577	61,930	64,221	64,449
Public assistance	1,648	2,121	1,456	2,895	1,898	2,323
Education	738	687	984	848	838	866
Public ways and facilities	22,557	24,643	25,273	22,737	28,971	22,240
Recreation and culture	36	19	36	33	108	144
Operating grants and contributions	544,900	538,684	540,138	584,347	631,510	660,371
Capital grants and contributions	12,573	12,332	6,124	5,629	5,726	8,970
Total government activities program revenues	808,009	828,391	853,842	882,627	962,510	996,799
Business-type activities						
Charges for services						
County Hospital	178,040	209,779	247,712	271,216	246,452	248,401
Health Maintenance Organization	105,157	113,298	123,488	128,742		
HMO Medi-Cal Plan[2]					67,126	77,261
HMO Commercial Plan					65,111	62,010
Airport	3,002	2,957	3,065	3,090	3,107	3,321
Housing Authority	3,536	3,466	3,667	3,885	5,405	6,164
Major risk medical insurance	931	1,662	1,723	1,723	1,953	1,383
Sheriff Law Enforcement Training Center	200	587	705	826	982	927
Operating grants and contributions	94,474	103,347	118,574	120,955	125,763	134,915
Capital grants and contributions	7,194	4,595	5,201	7,941	7,945	8,866
Total business-type activities program revenues	392,534	439,691	504,135	538,378	523,844	543,248
Total primary government program revenues	$ 1,200,543	1,268,082	1,357,977	1,421,005	1,486,354	1,540,047
Net (Expense) Revenue[1]						
Government activities	$ (295,535)	(360,156)	(410,343)	(415,889)	(393,682)	(485,858)
Business-type activities	(20,834)	(13,950)	(14,423)	(20,721)	(45,689)	(59,955)
Total primary government net expense	$ (316,369)	(374,106)	(424,766)	(436,610)	(439,371)	(545,813)

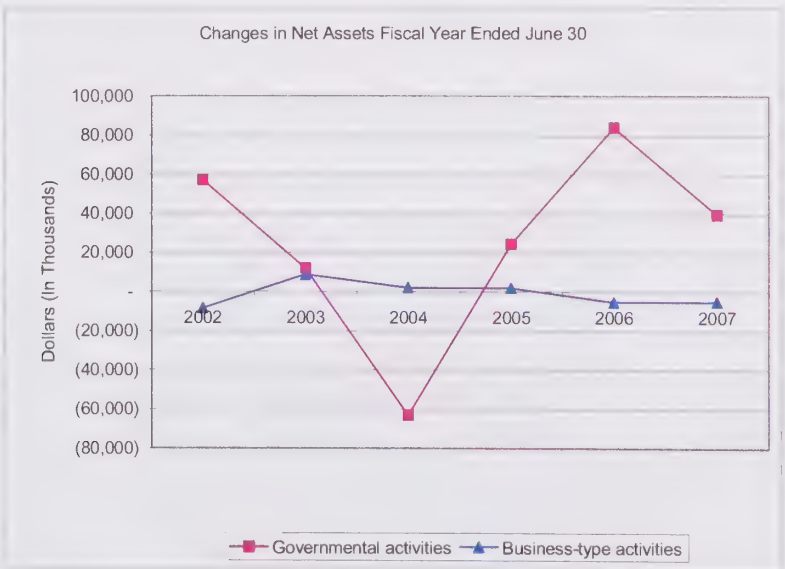
[1] Net (expense) revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.

[2] For fiscal years 2002-2005 the fund was the Health Maintenance Organization. Beginning in 2006 the fund was split into HMO-Medical Plan and HMO-Commercial Plan.

(Continued)

COUNTY OF CONTRA COSTA
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(Accrual basis of accounting)
(In Thousands)
(Unaudited)

	Fiscal Year Ending June 30					
	2002	2003	2004	2005	2006	2007
General Revenues and Other Changes in Net Assets						
Governmental activities						
Taxes						
Property	$ 211,376	227,113	250,620	266,043	386,558	437,658
Sales	11,616	10,966	10,310	10,811	12,175	13,064
Other	15,692	18,841	15,782	16,214	15,869	16,941
Grants/contributions not restricted	77,741	83,035	69,341	107,861	20,326	16,120
Investment earnings	27,035	18,347	13,336	31,608	48,254	62,024
Miscellaneous	20,158	36,140	35,815	29,587	33,048	32,661
Special item - retirement litigation settlement[1]			(31,979)			
Transfers	(11,063)	(22,306)	(15,900)	(21,836)	(38,631)	(53,287)
Total governmental activities	352,555	372,136	347,325	440,288	477,599	525,181
Business-type activities						
Investment earnings	298	376	12	134	49	386
Gain (loss) on sale of capital assets		(564)			(167)	
Other	1,076	551	609	596	1,841	1,082
Transfers	11,063	22,306	15,900	21,836	38,631	53,287
Total business-type activities	12,437	22,669	16,521	22,566	40,354	54,755
Total primary government	$ 364,992	394,805	363,846	462,854	517,953	579,936
Change in Net Assets						
Governmental activities	$ 57,020	11,980	(63,018)	24,399	83,917	39,323
Business-type activities	(8,397)	8,719	2,098	1,845	(5,335)	(5,200)
Total primary government	$ 48,623	20,699	(60,920)	26,244	78,582	34,123

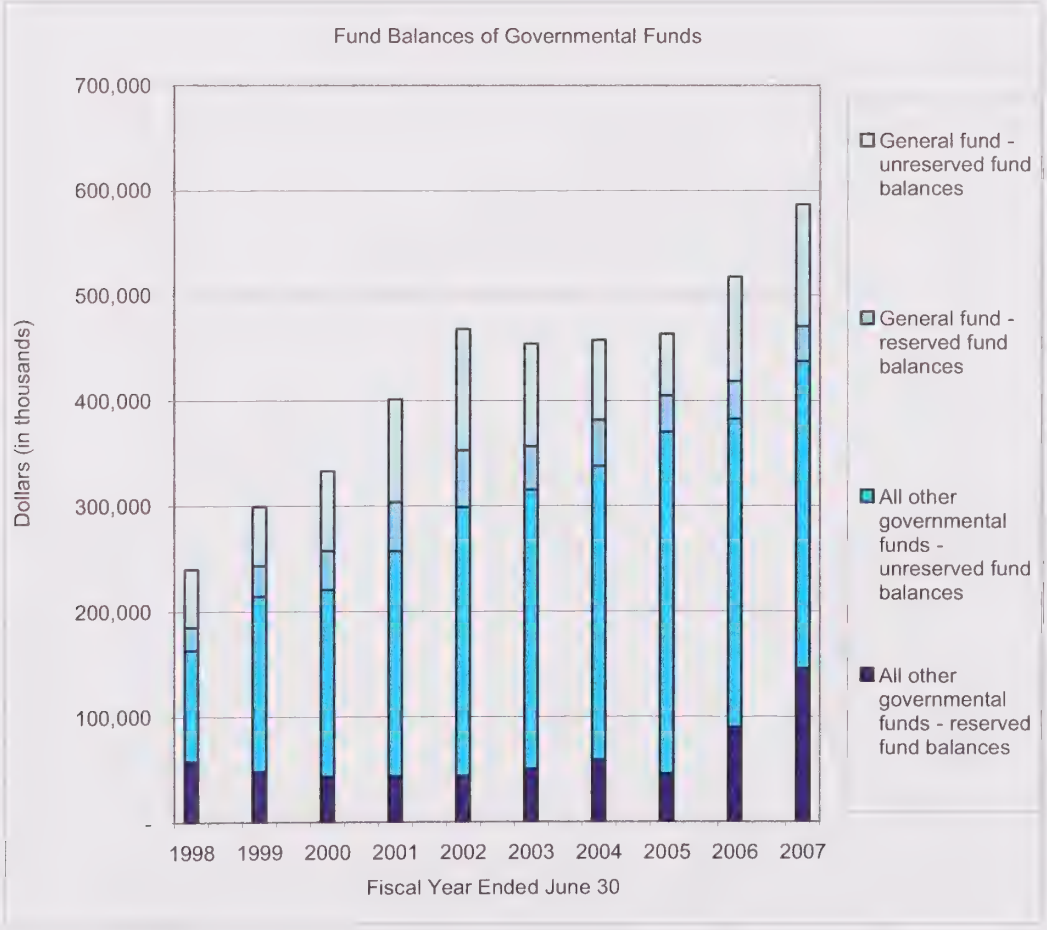


[1] During the year ended December 31, 1999, CCCERA settled its litigation, entitled Vernon D. Paulson, et al. v. Board of Retirement of the Contra Costa Employee's Retirement Association, et al. The consolidated lawsuit was brought on behalf of retired members of CCCERA regarding the inclusions and the exclusions from "final" compensation that are used in calculating members' retirement benefits as a result of the Ventura Decision. The final expense related to the settlement was determined and recorded in FY 2003/04.

(Concluded)

COUNTY OF CONTRA COSTA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(In Thousands)
(Unaudited)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	$ 21,833	28,978	36,920	46,904	53,744	41,044	43,998	34,404	35,764	33,003
Unreserved	55,127	56,452	75,801	97,703	115,658	97,525	75,888	58,659	99,374	116,113
Total general fund	76,960	85,430	112,721	144,607	169,402	138,569	119,886	93,063	135,138	149,116
All Other Governmental Funds										
Reserved	57,684	48,435	43,267	43,578	43,654	50,510	59,159	45,717	89,792	145,213
Unreserved	105,464	165,783	177,205	213,439	255,210	265,006	278,464	324,590	292,812	292,177
Total all other governmental fund	163,148	214,218	220,472	257,017	298,864	315,516	337,623	370,307	382,604	437,390
Total Governmental Funds										
Reserved	79,517	77,413	80,187	90,482	97,398	91,554	103,157	80,121	125,556	178,216
Unreserved	160,591	222,235	253,006	311,142	370,868	362,531	354,352	383,249	392,186	408,290
Total governmental fund	$ 240,108	299,648	333,193	401,624	468,266	454,085	457,509	463,370	517,742	586,506



Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

(In Thousands)

(Unaudited)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues:										
Taxes	$ 179,331	192,915	204,383	296,644	322,635	343,321	349,387	403,373	434,930	484,472
Licenses, permits and franchise fees	14,194	16,221	20,395	25,749	35,277	37,748	38,600	31,862	38,992	43,018
Fines, forfeitures and penalties	16,249	17,088	19,000	18,296	18,525	18,233	31,701	21,095	18,651	18,300
Use of money and property	42,168	40,649	37,956	43,632	23,764	16,154	11,942	29,968	46,575	57,908
Intergovernmental	471,208	502,908	564,289	490,842	545,724	547,651	542,929	587,529	637,179	669,343
Charges for services	130,468	145,210	169,240	188,545	196,588	219,894	237,274	239,694	267,633	265,453
Other revenue	19,844	27,283	35,020	27,166	94,280	125,090	127,341	103,704	119,585	144,858
Total revenues	873,462	942,274	1,050,283	1,090,874	1,236,793	1,308,091	1,339,174	1,417,225	1,563,545	1,683,352
Expenditures:										
Current:										
General government	85,786	108,963	101,772	106,380	130,351	135,197	134,610	131,069	148,201	195,909
Public protection	266,707	287,538	307,260	325,821	378,011	426,662	438,940	456,489	494,005	551,970
Health and sanitation	147,867	157,041	164,142	161,220	182,164	201,140	215,724	208,160	191,505	190,749
Public assistance	268,633	289,570	302,690	294,317	337,673	383,360	400,873	395,337	418,521	445,690
Education	11,774	12,828	14,216	14,589	16,367	18,414	19,548	21,231	22,679	25,863
Public ways and facilities	33,071	45,855	50,508	54,611	88,830	79,119	82,736	96,895	107,005	137,726
Recreation and culture	484	269	619	426	1,099	716	1,337	1,284	1,439	1,642
Debt service:										
Principal	23,586	18,552	21,347	25,266	25,110	50,533	30,953	27,726	33,775	62,335
Bond issuance cost				1,643	412	441	1,222	565		3,314
Refunding bond issuance cost				1,881						
Payment to refunded bond escrow agent		2,214		1,595		3,272				
Interest	40,716	40,868	39,288	33,443	36,307	31,652	47,691	49,418	53,131	57,535
Other charges									3,726	1,539
Capital outlay	11,302	10,482	23,109	14,830	32,236	2,630	1,973	6,388		
Total expenditures	889,926	974,180	1,024,951	1,036,022	1,228,560	1,333,136	1,375,607	1,394,562	1,473,987	1,674,272
Excess of revenues over (under) expenditures	(16,464)	(31,906)	25,332	54,852	8,233	(25,045)	(36,433)	22,663	89,558	9,080
Other Financing Sources (Uses):										
Transfers in	71,275	79,411	72,483	67,945	72,230	93,231	80,887	79,291	76,985	60,957
Transfers out	(47,855)	(57,592)	(67,941)	(76,188)	(83,293)	(115,537)	(99,383)	(103,105)	(117,605)	(116,239)
Advances from other funds	1,187	770								
Proceeds from the sale of real estate					500	500	500			
Proceeds of refunding bonds	66,913	111,498		113,389						
Proceeds from issuance of debt				24,897	12,650	348,467	64,290	1,563	129,900	222,685
Debt issuance cost									(1,267)	
Premium on debt issued							21			7,701
Discount on debt issued							(621)			
Payment to retirement trustee						(319,095)			(124,904)	(118,998)
Payment to refund bonds				(94,944)						
Payment to refunded bond escrow agent	(46,257)	(45,814)		(16,231)		(329)	(7,259)			
Capital lease financing	3,915	3,173	5,500	1,269	9,907	3,627	1,973	6,388	1,705	3,578
Total other financing sources (uses)	49,178	91,446	10,042	20,137	11,994	10,864	40,408	(15,863)	(35,186)	59,684
Net change in fund balances	32,714	59,540	35,374	74,989	20,227	(14,181)	3,975	6,800	54,372	68,764
Fund Balances at Beginning of Year, as Previously Reported	211,157	240,108	299,648	333,193	401,624	468,266	454,085	457,509	463,370	517,742
Adjustments to beginning fund balances	(351)		(1,829)	(6,558)	46,415		(551)	(939)		
Fund Balances at Beginning of Year, as Restated	210,806	240,108	297,819	326,635	448,039	468,266	453,534	456,570	463,370	517,742
Residual equity transfers in	3,304	1,640	200							
Residual equity transfers out	(6,716)	(1,640)	(200)							
Fund Balances at End of Year	$ 240,108	299,648	333,193	401,624	468,266	454,085	457,509	463,370	517,742	586,506
Debt service as a percentage of noncapital expenditures					5.39%	6.54%	5.99%	5.74%	6.07%	7.46%

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA

PROGRAM REVENUES BY FUNCTION/PROGRAM

LAST SIX FISCAL YEARS

(Accrual basis of accounting)

(In Thousands)

(Unaudited)

	Fiscal Year Ended June 30					
	2002	2003	2004	2005	2006	2007
Governmental activities - program revenues						
Charges for services						
General government	$ 73,680	71,976	94,121	81,289	92,169	97,371
Public Protection	100,344	117,342	119,133	122,919	137,069	140,065
Health and sanitation	51,533	60,587	66,577	61,930	64,221	64,449
Public assistance	1,648	2,121	1,456	2,895	1,898	2,323
Education	738	687	984	848	838	866
Public ways and facilities	22,557	24,643	25,273	22,737	28,971	22,240
Recreation and culture	36	19	36	33	108	144
Subtotal	250,536	277,375	307,580	292,651	325,274	327,458
Operating grants and contributions						
General government	19,682	19,378	9,496	10,900	20,264	11,151
Public protection	119,742	122,134	121,049	123,050	128,668	135,827
Health and sanitation	80,561	82,260	85,820	88,114	90,928	94,059
Public assistance	308,577	307,544	314,630	336,542	364,668	371,183
Education	3,152	3,019	2,768	3,065	3,229	4,055
Public ways and facilities	13,134	4,307	6,143	22,657	23,742	43,389
Recreation and culture	52	42	232	19	11	707
Subtotal	544,900	538,684	540,138	584,347	631,510	660,371
Capital grants and contributions						
General government						
Public protection	76	53	50	50	12	12
Public ways and facilities	12,497	12,279	6,074	5,579	5,714	8,958
Subtotal	12,573	12,332	6,124	5,629	5,726	8,970
Total governmental activities program revenues	$ 808,009	828,391	853,842	882,627	962,510	996,799
Business-type activities program revenues						
Charges for services						
County Hospital	$ 178,040	209,779	247,712	271,216	246,452	248,401
HMO Medi-Cal Plan	105,157	113,298	123,488	128,742	67,126	77,261
HMO Commercial Plan					65,111	62,010
Airport	3,002	2,957	3,065	3,090	3,107	3,321
Housing Authority	3,536	3,466	3,667	3,885	5,405	6,164
Major risk medical insurance	931	1,662	1,723	1,723	1,953	1,383
Sheriff Law Enforcement Training Center	200	587	705	826	982	927
Subtotal	290,866	331,749	380,360	409,482	390,136	399,467
Operating grants and contributions						
County Hospital	31,886	20,840	19,281	20,379	21,387	20,995
HMO Medi-Cal Plan	2,757	3,834	5,422	6,677		
HMO Commercial Plan					14,181	24,819
Airport	130	978	1,069	452	426	1,813
Housing Authority	59,459	77,227	92,410	93,176	89,557	86,897
Sheriff Law Enforcement Training Center	242	468	392	271	212	391
Subtotal	94,474	103,347	118,574	120,955	125,763	134,915
Capital grants and contributions						
County Hospital	7,194	4,595	4,201	5,052	5,171	7,677
Housing Authority			1,000	2,889	2,774	1,189
Subtotal	7,194	4,595	5,201	7,941	7,945	8,866
Total business-type activities program revenues	392,534	439,691	504,135	538,378	523,844	543,248
Total primary government program revenues	$ 1,200,543	1,268,082	1,357,977	1,421,005	1,486,354	1,540,047

Data is only available for the last six fiscal years due to the implementation of GASB 34 in fiscal year ending June 30, 2002.

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA

REVENUE BY SOURCE, GOVERNMENT FUNDS

LAST TEN FISCAL YEARS

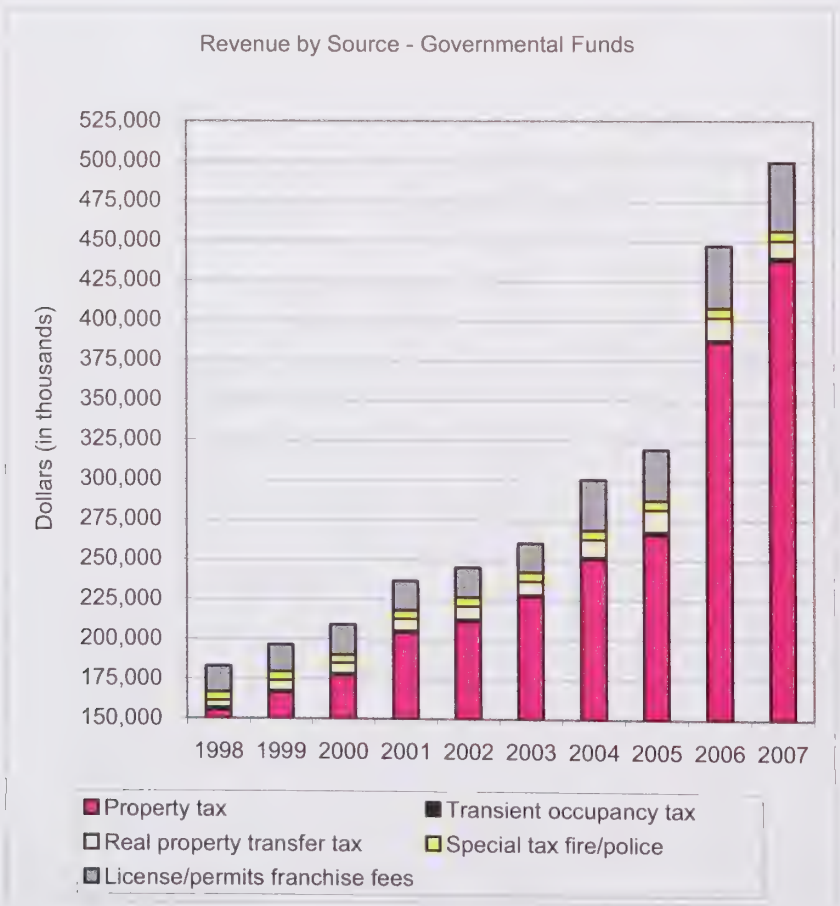
(Modified accrual basis of accounting)

(In Thousands)

(Unaudited)

Fiscal Year	Property Tax	Transient Occupancy Tax	Real Property Transfer Tax	Special Tax Fire/Police	License/Permits Franchise Fees	Total
1998	$ 155,252	1,587	4,488	5,305	16,249	182,881
1999	166,339	1,221	6,511	5,395	17,088	196,554
2000	177,104	1,370	6,554	5,223	19,000	209,251
2001	203,967	1,628	7,294	5,317	18,296	236,502
2002	211,376	1,287	8,273	5,667	18,525	245,128
2003	227,113	1,117	8,434	5,596	18,233	260,493
2004	250,620	1,283	11,161	5,739	31,701	300,504
2005	266,043	1,825	13,826	5,830	31,862	319,386
2006	386,558 [1]	1,344	14,043	5,924	38,992	446,862
2007	437,658	1,872	10,427	6,279	43,018	499,254

[1] $88,420 of increase due to reclassification of Vehicle License Fee to property tax.



Source: Comprehensive Annual Financial Reports - County of Contra Costa, California

COUNTY OF CONTRA COSTA

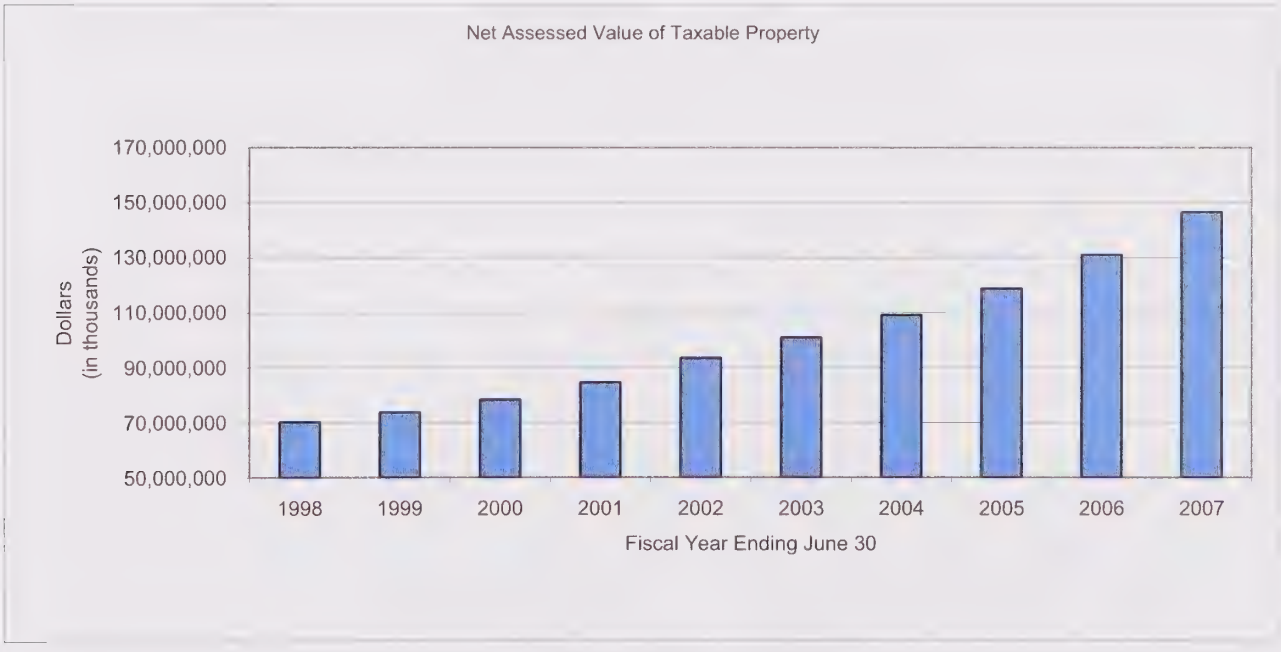
ASSESSED VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(In Thousands)

(Unaudited)

Fiscal Year Ended June 30	Assessed Value [1] Real Property	Personal Property	Total	Exemptions	Net Assessed Value of Taxable Property	Net Increase Amount	Percentage
1998	$ 69,194,267	2,513,679	71,707,946	1,393,145	70,314,801	1,072,701	1.55 %
1999	72,525,051	2,728,990	75,254,041	1,554,486	73,699,555	3,384,754	4.81
2000	77,475,617	2,495,049	79,970,666	1,624,132	78,346,534	4,646,979	6.31
2001	83,329,641	2,936,004	86,265,645	1,637,667	84,627,978	6,281,444	8.02
2002	92,091,316	3,350,098	95,441,414	1,951,214	93,490,200	8,862,222	10.47
2003	99,461,281	3,570,777	103,032,058	2,106,357	100,925,701	7,435,501	7.95
2004	108,071,968	3,190,706	111,262,674	2,190,126	109,072,548	8,146,847	8.07
2005	117,931,015	3,167,502	121,098,517	2,322,240	118,776,277	9,703,729	8.90
2006	130,458,278	3,235,764	133,694,042	2,568,829	131,125,213	12,348,936	10.40
2007	145,844,300	3,408,666	149,252,966	2,729,501	146,523,465	15,398,252	11.74



[1] Assessed values are those defined under California Revenue and Taxation Code Sections: 601 and 721 et. seq.

Article XIIIA, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased: a) to reflect annual inflation up to 2 percent; b) to reflect current market value at time of ownership change; and c) to reflect market value for new construction.

Taxable assessed value is 100% of assessed value.

See following page for property tax rates applied.

Source: County Assessor - County of Contra Costa, California

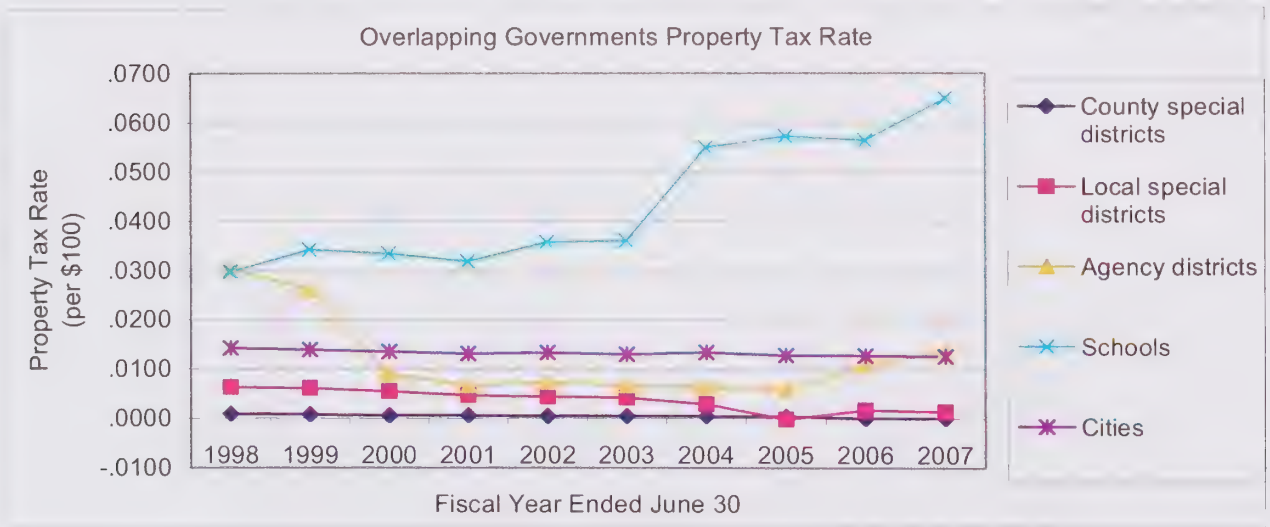
COUNTY OF CONTRA COSTA

PROPERTY TAX RATES

DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30	Countywide Rate [1]			County Special Districts	Local [2] Special Districts	Agency Districts	Schools	Cities	Total
	County	Other	Total						
1998	.1393	.8607	1.0000	.0009	.0063	.0304	.0297	.0142	1.0815
1999	.1388	.8612	1.0000	.0008	.0061	.0262	.0342	.0139	1.0812
2000	.1375	.8625	1.0000	.0006	.0055	.0091	.0334	.0135	1.0621
2001	.1367	.8633	1.0000	.0006	.0047	.0067	.0318	.0131	1.0569
2002	.1356	.8644	1.0000	.0005	.0044	.0074	.0357	.0133	1.0613
2003	.1352	.8648	1.0000	.0005	.0042	.0067	.0360	.0130	1.0604
2004	.1342	.8658	1.0000	.0005	.0029	.0064	.0549	.0134	1.0781
2005	.1341	.8659	1.0000	.0004	(.0002)	.0059	.0572	.0128	1.0761
2006	.1337	.8663	1.0000	.0000	.0017	.0107	.0564	.0127	1.0815
2007	.1329	.8671	1.0000	.0000	.0014	.0137	.0649	.0126	1.0926



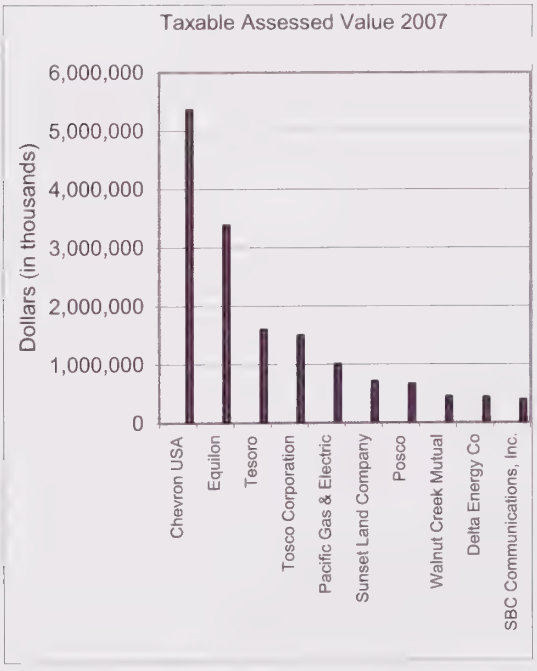
[1] In June 1978, California voters approved Proposition 13 which restricted the taxing power of local government agencies. Individual agencies do not establish their own property tax rates, except for voter approved indebtedness. Instead, a countywide rate is levied with the proceeds distributed to all agencies according to formulas specified by the state legislature. The countywide rate is 1 percent of assessed value ($1 per $100 of taxable assessed valuation). The rates shown above are allocations of the 1% tax on assessed valuation.

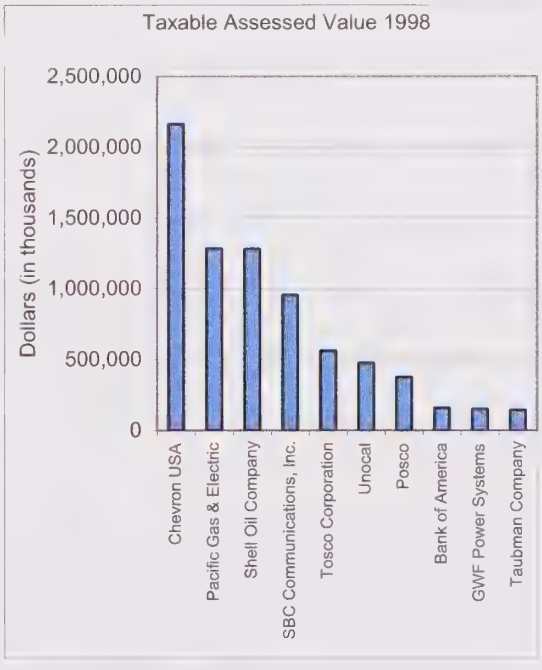
[2] The 2005 rate for Local Special Districts includes a negative rate computed for the Los Medanos Community Healthcare District to affect a refund to the taxpayers of $850,000. The District's taxpayers had paid a special property tax for many years to fund the bond payments for healthcare facilities. Because of positive District finances, the District's Board determined the best use of any remaining bond funds (after covering all of the District's bond-related expenses) was to return the balance to taxpayers.

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(In Thousands)
(Unaudited)

	Fiscal Year Ended June 30, 2007			Fiscal Year Ended June 30, 1998		
Taxpayers	Taxable Assessed Value Secured and Unitary	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value Secured and Unitary	Rank	Percentage of Taxable Assessed Value
Chevron USA	$ 5,372,494	1	3.84 %	$ 2,165,223	1	3.08 %
Equilon	3,384,896	2	2.42			
Tesoro	1,595,843	3	1.14			
Tosco Corporation	1,500,771	4	1.07	564,335	5	0.30
Pacific Gas & Electric	1,008,158	5	0.72	1,282,135	2	1.82
Sunset Land Company	713,614	6	0.51			
Posco	666,479	7	0.48	376,712	7	0.52
Walnut Creek Mutual	448,075	8	0.32			
Delta Energy Co	438,200	9	0.31			
SBC Communications, Inc.	393,488	10	0.28	955,758	4	1.36
Shell Oil Company				1,281,116	3	1.82
Unocal				476,510	6	0.68
Bank of America				159,732	8	0.23
GWF Power Systems				150,020	9	0.21
Taubman Company				145,133	10	0.21
Total	$ 15,522,018		11.09	$ 7,556,674		10.24





Beginning in fiscal year 2003-2004 a refined methodology is used to determine the principal taxpayers. The assessed value of the property of all of a listed taxpayer's component entities are included. Also, ranking is based on assessed valuation which may be different from taxes paid due to special purpose levies paid by some taxpayers.

Source: Treasurer-Tax Collector - County of Contra Costa, California

COUNTY OF CONTRA COSTA

PROPERTY TAX LEVIES AND COLLECTIONS[1]

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Current Year Tax Levy Delinquent at Year End		Total Delinquent Property Taxes at June 30 (Including Prior Years)
		Amount	Percentage of Levy	
1998	892,581,453	15,547,736	1.74%	37,200,417
1999	939,437,116	15,375,159	1.64%	32,858,406
2000	981,579,866	15,904,158	1.62%	31,563,440
2001	1,062,831,354	16,728,410	1.57%	31,050,012
2002	1,187,173,140	20,551,776	1.73%	33,941,546
2003	1,293,561,117	25,574,249	1.98%	38,614,691
2004	1,402,895,299	27,325,421	1.95%	40,071,424
2005	1,584,132,373	26,598,823	1.68%	37,821,908
2006	1,720,977,608	35,699,270	2.07%	47,003,688
2007	1,967,771,060	80,851,968	4.11%	97,323,762

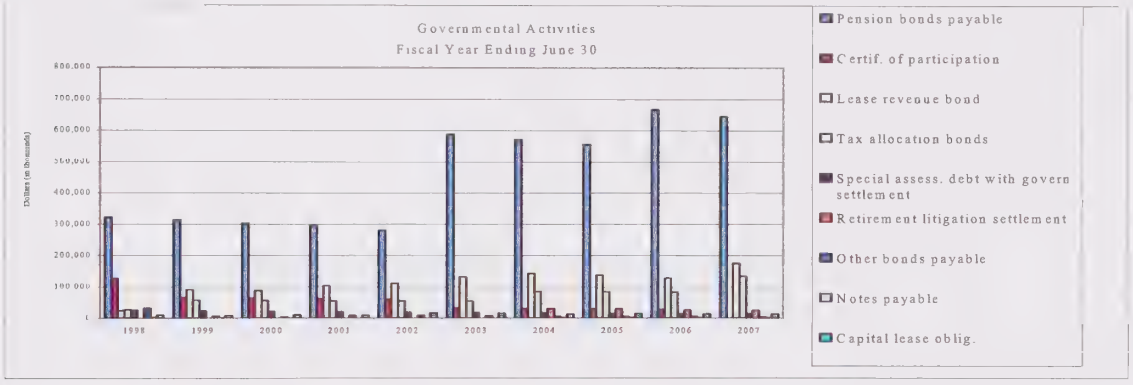
[1] Total property tax levy for all taxing agencies in the County.

Note: General taxes collected are the same as the amounts levied, because the county follows California's alternate method of apportionment (the Teeter Plan). Under the Teeter Plan, all amounts levied are apportioned to the county and other taxing agencies regardless of whether they are collected in the current year or not. A Tax Losses Reserve Agency fund insures losses resulting when a property is sold for taxes, and the proceeds are insufficient to pay the outstanding amounts due.

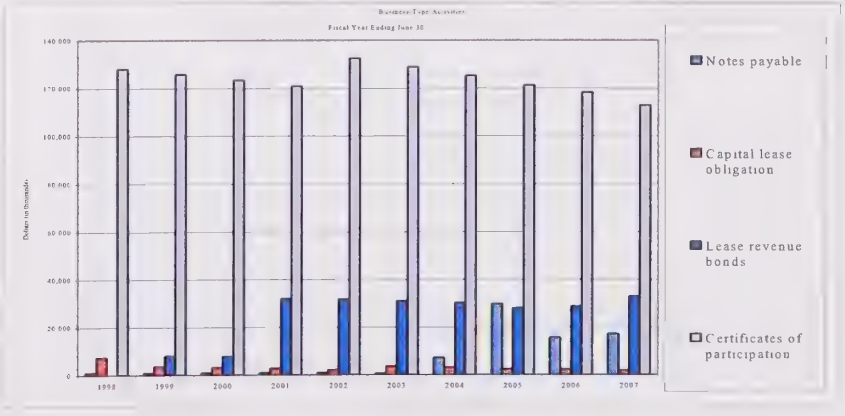
Source: Auditor-Controller's Office - County of Contra Costa, California

COUNTY OF CONTRA COSTA
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In Thousands)
(Unaudited)

	Governmental Activities									
Fiscal Year Ended June 30	Pension Bonds Payable	Certif. of Partici-pation	Lease Revenue Bonds	Tax Allocation Bonds	Special Assess. Debt with Govern. Commitment	Retirement Litigation Settlement	Other Bonds Payable	Notes Payable	Capital Lease Oblig.	Total
1998	321,895	126,893	24,695	25,900	25,121		31,070	2,125	8,985	566,684
1999	313,190	66,055	90,015	56,710	23,443		5,836	486	8,333	564,068
2000	302,275	63,820	87,615	56,150	21,652		3,044	6	9,927	544,489
2001	297,340	61,465	102,245	55,360	20,276		8,505	6	8,988	554,185
2002	281,425	58,665	111,420	54,525	18,589		8,055		16,238	548,917
2003	587,220	31,700	130,960	53,580	17,222		7,140		15,330	843,152
2004	569,220	30,555	142,715	84,295	15,654	30,352	6,130	516	12,235	891,672
2005	554,735	29,365	136,903	83,045	14,006	29,651	5,115	429	13,784	867,033
2006	666,905	27,008	127,766	81,935	13,213	25,527	4,585	339	12,646	959,924
2007	643,990	0	174,633	133,105	12,389	24,809	4,015	788	13,444	1,007,173



	Business-Type Activities							
Fiscal Year Ended June 30	Notes Payable	Capital Lease Obligation	Lease Revenue Bonds	Certificates of Participation	Total	Government Total	Ratio Net Debt to Assessed Value	Net Debt Per Capita
1998	1,012	7,421		128,177	136,610	703,294	1.43%	1,114
1999	965	3,520	8,090	125,862	138,437	702,505	0.95%	767
2000	914	3,169	7,950	123,443	135,476	679,965	0.87%	731
2001	859	2,716	32,077	120,893	156,545	710,730	0.84%	731
2002	984	2,146	31,760	132,550	167,440	716,357	0.77%	730
2003	562	3,555	31,050	128,980	164,147	1,007,299	1.00%	1,012
2004	7,268	3,017	30,320	125,250	165,855	1,057,527	0.97%	1,050
2005	29,766	2,455	27,997	121,325	181,543	1,048,576	0.88%	1,027
2006	15,651	2,281	28,689	118,307	164,928	1,124,852	0.86%	1,091
2007	17,224	1,899	33,037	112,845	165,005	1,172,178	0.75%	1,052



Source: Comprehensive Annual Financial Reports - County of Contra Costa, California

COUNTY OF CONTRA COSTA

DIRECT AND OVERLAPPING BOND DEBT

(In Thousands)

(Unaudited)

	Debt Applicable July 1, 2007 [1]	
	Percentage	Amount
DIRECT GENERAL FUND OBLIGATION DEBT:		
Contra Costa County General Fund Obligations	100	$ 381,735
Contra Costa County Pension Obligations	100	515,710
TOTAL DIRECT DEBT		897,445
OVERLAPPING DEBT:		
Contra Costa County Office of Education Certificates of Participation	100	900
Alameda-Contra Costa Transit District Certificates of Participation	11.439	2,154
East Bay Municipal Water District and Special District No. 1	50.274 & 6.373	2,743
Acalanes and Liberty Union High School Districts	100	198,511
Martinez Unified School District	100	29,962
Pittsburg Unified School District	100	54,935
Lafayette School District	100	24,610
Oakley Union School District	100	25,210
Bay Area Rapid Transit District	32.304	28,164
San Ramon Valley Unified School District	100	298,611
Other School Districts	Various	48,469
Antioch Unified School District Certificates of Participation	100	25,177
Other School Districts' General Fund Obligations	Various	25,736
Cities and City Special Tax Districts	100.000	19,055
City of Concord General Fund and Judgment Obligations	100	34,430
City of Pittsburg Pension Obligations	100	39,566
City of Richmond General Fund Obligations	100	33,785
City of Richmond Pension Obligations	100	136,515
City of Antioch General Fund Obligations	100	29,913
City of San Ramon General Fund Obligations	100	18,705
Other Cities' General Fund Obligations	100	79,855
Contra Costa County Fire Protection District Pension Obligation	100	128,280
San Ramon Valley Fire Protection District Certificates of Participation	100	17,080
East Bay Regional Park District	46.959	78,090
Other Special Districts' Certificates of Participation	100	2,685
West Contra Costa Healthcare District Parcel Tax Obligation	100	25,315
Community Facilities Districts	100	277,453
1915 Act Assessment Bonds (Estimate)	100	475,892
West Contra Costa Unified School District	100	536,504
Mt. Diablo Unified School District	100	222,500
Contra Costa Community College District	100	112,900
Brentwood Union School District	100	62,300
Walnut Creek School District	100	33,640
West Contra Costa Unified School District General Fund Obligation	100	26,075
TOTAL OVERLAPPING DEBT		3,155,720

(continued)

COUNTY OF CONTRA COSTA

DIRECT AND OVERLAPPING BOND DEBT

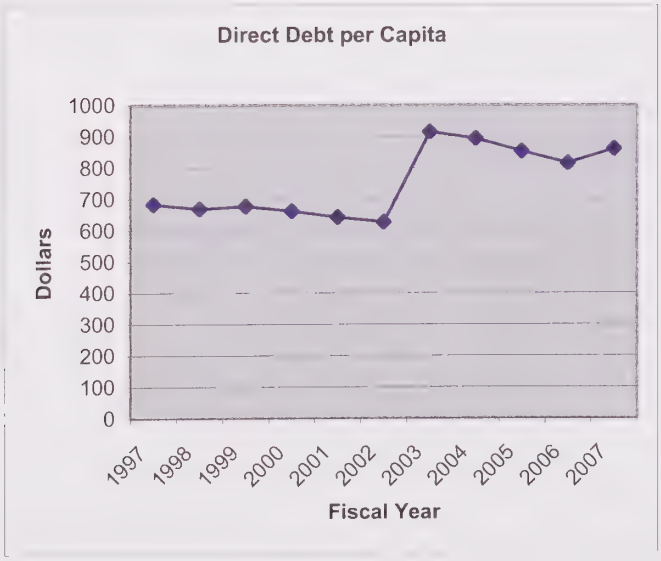
(In Thousands)

(Unaudited)

TOTAL GROSS DIRECT AND OVERLAPPING DEBT	4,053,165
Less: East Bay Municipal Utility District (100% Self-Supporting)	551
TOTAL NET DIRECT AND OVERLAPPING DEBT	$ 4,052,614

2006 - 2007 Assessed Value of Taxable Property	$ 146,407,238
Less: Redevelopment Increments	17,084,077
Adjusted Assessed Valuation	$ 129,323,161
Population	1,042,341

	Ratio to Adjusted Assessed Valuation Value (%)	Per Capita
Direct Debt	0.69	$ 861
Total Gross Direct and Overlapping Debt	3.13	3,889
Total Net Direct and Overlapping Debt	3.13	3,888



Source: [1] California Municipal Statistics, Inc.

a. Percentage of overlapping agency's assessed valuation located within boundaries of the county.

b. Excludes tax and revenue anticipation notes, revenue, mortgage, revenue and tax allocation bonds and non-bonded capital lease obligations.

COUNTY OF CONTRA COSTA

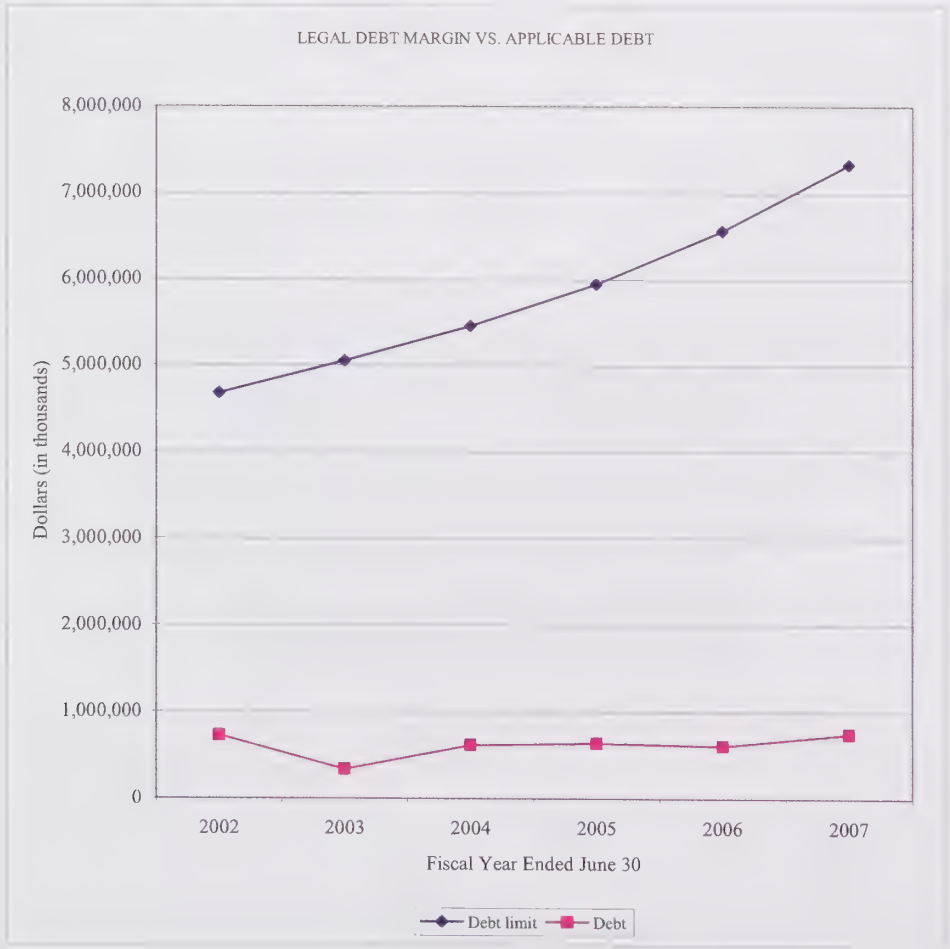
LEGAL DEBT MARGIN INFORMATION

LAST SIX FISCAL YEARS

(In Thousands)

(Unaudited)

		Fiscal Year Ended June 30					
		2002	2003	2004	2005	2006	2007
Assessed value of taxable property	$	93,490,200	100,925,701	109,072,548	118,776,277	131,125,213	146,523,465
Debt limit - 5% of assessed value [1]	(A) $	4,674,510	5,046,285	5,453,627	5,938,814	6,556,261	7,326,173
Amount of debt applicable to debt limit [2]							
Total bonded debt		344,005	641,810	654,030	637,780	748,840	777,095
Less: Assets of debt service funds		7,875	26,632	16,708	28,981	21,157	31,034
Total net general obligation debt	(B)	336,130	615,178	637,322	608,799	727,683	746,061
Legal debt margin	(A - B) $	4,338,380	4,431,107	4,816,305	5,330,015	5,828,578	6,580,112
Total net general obligation debt applicable to the limit as a percentage of debt limit		7.19%	12.19%	11.69%	10.25%	11.10%	10.18%



[1] California Government Code Section 29909 limits General Obligation Bond indebtness to five percent of the total assessed valuation of all taxable real and personal property within the county.

[2] Does not include Public Financing Authority nor Assessment District debt.

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN YEARS

(Unaudited)

Fiscal Year Ended June 30	Population[1]	Personal[2] Income	Per Capita[2] Personal Income	Median[3] Age	Education[4] Level	School[5] Enrollment	Average[6] Unemployment Rate
1998	900,688	34,585,578	37,525				3.6 %
1999	916,403	37,126,251	39,623				3.1 %
2000	930,025	42,417,859	44,479	36.4	36.5	272,905	3.5 %
2001	972,103	43,472,330	44,509		37.4	273,467	4.0 %
2002	981,555	43,304,580	43,813		35.9	278,456	5.7 %
2003	994,908	44,177,166 #	44,192		38.7	269,081	6.1 %
2004	1,007,606 #	46,562,718	46,211	37.1	36.3	280,523	5.4 %
2005	1,020,898	49,475,309 *	48,618	37.2	37.9	284,773	5.1 %
2006	1,030,732 #			37.5	37.2	277,459	4.5 %
2007	1,042,341						4.7 %

Revised

* Estimated

[1] California Department of Finance Estimate for January 1 of each year.

[2] U.S. Department of Commerce - Bureau of Economic Analysis (thousands)

[3] U.S. Census Bureau

[4] Percent of population with Bachelor or Graduate Degree - U.S. Census Bureau

[5] Population three years and over enrolled in school - U.S. Census Bureau

[6] State of California - Employment Development Department - June Data

COUNTY OF CONTRA COSTA

PRINCIPAL EMPLOYERS [3]

CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

	2007			1998		
Employers [1]	Estimated Employees	Rank	Percentage of Total County Employment	Estimated Employees	Rank	Percentage of Total County Employment
Chevron Texaco Corp.	7,100	1	1.30%	2,900	3	0.70 %
Kaiser Permanente	5,000	2	1.00	4,500	2	1.00
AT & T	3,150	3	0.60			
Kaiser Foundation Hospital	2,300	4	0.50	2,000	4	0.40
John Muir Medical Center	1,900	5	0.40	1,900	5	0.40
John Muir Mt. Diablo Medical Center	1,500	6	0.30	1,500	6	0.30
24 Hour Fitness	1,200	7	0.20			
Bio-Rad Laboratories	1,100	8	0.20	1,050	8	0.20
Doctors Medical Center	1,000	9	0.20	1,000	9	0.20
USS Posco Industries	975	10	0.20	1,000	10	0.20
Bank of America - Systems Engineering				5,000	1	1.10
Tosco Refining				1,200	7	0.30
All Others	489,925		95.10	427,000		95.20
Total	515,150 [2]		100.00	449,050 [2]		100.00

Contra Costa County Employment by Industry [2]

2006 Annual Average

Trade, Transportation, & Utilities	17.4%
Government	14.9%
Professional & Business Services	14.7%
Educational & Health Services	12.4%
Financial Activities	9.3%
Leisure & Hospitality	9.3%
Natural Resources, Mining, & Construction	8.7%
Manufacturing	5.9%
Other Services	3.4%
Information	3.8%
Agriculture	0.2%

[1] Government Employers Excluded

[2] State of California Employment Development Department - June, not adjusted

[3] Source: Compilation of Estimated Data From Various Sources

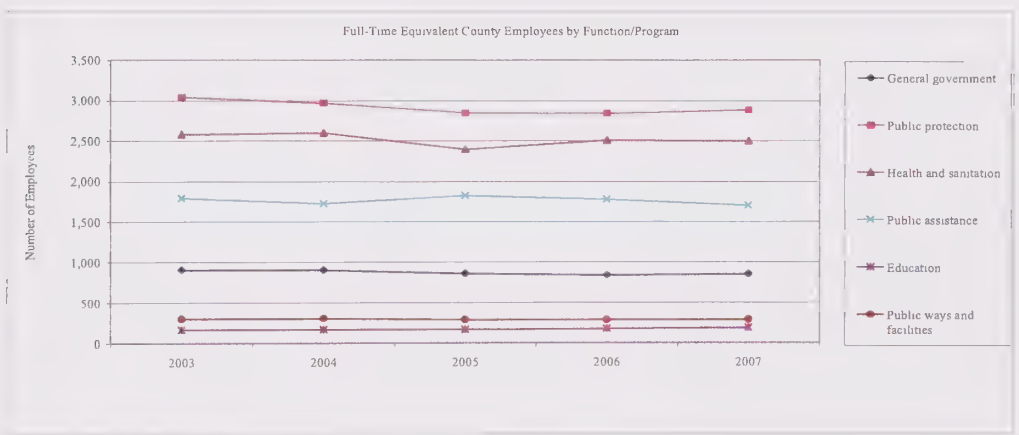
COUNTY OF CONTRA COSTA

FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION/PROGRAM

LAST FIVE FISCAL YEARS

(Unaudited)

	Full-time Equivalent Employees as of June 30				
Function	2003	2004	2005	2006	2007
General Government	908	904	861	838	852
Public Protection	3,041	2,969	2,847	2,841	2,883
Health and Sanitation	2,579	2,600	2,396	2,507	2,499
Public Assistance	1,788	1,723	1,819	1,774	1,697
Education	167	167	167	176	187
Public Ways and Facilities	302	307	291	287	291
Total	8,785	8,670	8,381	8,423	8,409



Source: County Administrators Office, Contra Costa County, California

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST SIX FISCAL YEARS

(Unaudited)

Function	Fiscal Year Ended June 30					
	2002	2003	2004	2005	2006	2007
General Government						
Assessor						
Number of Assessment Roll Units - Secured	323,710	328,537	332,630	338,032	345,212	353,469
Number of Assessment Roll Units - Unsecured	49,523	50,140	50,242	49,238	49,488	49,909
Auditor-Controller						
Tax Rate Areas Administered	1,136	1,141	1,171	1,024	1,024	1,040
County Counsel						
Tort Claims File Against County Transferred to County Counsel	246	254	280	253	274	255
Juvenile Law Contests Set for Each Child	2,971	2,531	2,259	2,890	3,063	3,449
Clerk-Recorder						
New Voter Registration		23,021	41,377	82,571	22,172	32,304
Updates to Voter Registration						49,838
Cancelled Voter Registration		6,158	35,596	28,110	14,450	30,063
Total Voter Registration	476,935	484,640	444,167	504,505	492,656	464,042
Recorded Documents	419,868	583,521	722,437	574,294	581,595	447,969
Human Resources						
Employment Applications Processed	14,100	21,901	14,860	15,982	15,817	26,334
Examinations Conducted	206	196	150	166	221	223
Personnel Transactions Processed						12,185
Information Technology						
Enterprise Server Transactions Monthly				11,000,000	9,000,000	3,026,138
Enterprise Server Availability				100.00%	99.00%	99.00%
Viruses Stopped				920,000	3,100,000	47,879
Spam Emails Stopped				3,000,000	11,000,000	73,000,000
Tax Collector-Treasurer						
Secured Tax Bills	318,922	330,214	334,983	328,061	338,259	345,429
Unsecured Tax Bills	50,651	51,794	53,558	50,062	48,739	54,139
Supplemental Tax Bills	41,697	46,602	46,425	42,679	43,736	56,995
Business Licenses Issued	8,543	6,889	7,160	6,255	6,157	6,387
Public Protection						
Agriculture						
Number of Shipments Inspected/ Profiled	36,607	37,371	45,153	60,912	78,263	88,094
Pest Control Inspections	1,003	905	876	1,019	1,047	741
# of Taxis Inspected	460	294	339	271	229	224
Number of Petroleum Dispensing Devices Inspected	3,465	3,807	5,782	4,917	2,951	4,819
Animal Services						
Licenses Sold	44,064	44,235	44,062	44,822	45,977	41,054
Animals Handled	26,631	24,752	24,604	24,056	25,043	23,987
Animals Adopted	3,779	4,267	4,110	4,218	5,584	5,606
Animals Returned to Owner	2,812	2,871	2,595	2,482	2,363	2,364
Building Inspectors						
Plans Reviewed	1,363	1,987	1,920	2,074	2,152	2,035
Permits Issued	10,707	12,096	12,736	13,194	13,629	13,492
Inspections Performed	54,461	53,612	63,730	70,331	81,363	95,189
Code Enforcement Cases Opened	975	1,117	1,323	1,699	2,260	1,537
Child Support Services						
Number of Cases					38,482	37,657
Community Development						
Number of Land Use Applications Received	908	986	1,114	1,182	1,165	1,080
Number of Land Use Entitlements Issued						521
Solid Waste Diverted from Landfills						50%
Number of Affordable Housing Units Provided Financial Assistance						767

(Continued)

(Continued)

COUNTY OF CONTRA COSTA
OPERATING INDICATORS BY FUNCTION
LAST SIX FISCAL YEARS
(Unaudited)

Function	Fiscal Year Ended June 30					
	2002	2003	2004	2005	2006	2007
Public Protection (Continued)						
Fire Protection Services						
Contra Costa Fire Protection District						
Emergency Calls	37,655	40,420	40,726	41,100	42,255	45,188
Fire Calls	2,007	2,301	2,113	1,981	1,914	2,175
Medical Calls	19,533	26,045	28,043	28,815	29,864	30,401
Inspections Performed	2,536	3,187	2,438	1,888	1,198	1,907
East County Fire Protection District						
Emergency Calls					5,016	
Fire Calls					424	289
Medical Calls					3,640	2,253
Inspections Performed					800	800
District Attorney (Calendar Year)						
Felony Cases Filed	4,356	3,701	4,264	4,564	5,423	
Misdemeanor Cases Filed	13,280	13,339	12,307	10,843	10,726	
Probation						
Court Reports	7,343	6,783	8,873	8,873	9,391	10,320
Average Supervision Caseload (Including Home Sup)	5,473	5,450	4,671	4,555	4,602	6,902
Juvenile Hall Detention Care Days	55,153	52,016	46,586	36,428	56,862	51,684
Youth Rehabilitation Care Days	33,214	32,763	32,216	32,384	33,578	35,171
Juvenile Community Service Days Worked	5,311	4,746	4,110	4,365	3,924	3,405
Public Administrator						
Cases Opened						156
Cases Closed						136
Public Defender (Calendar Year)						
Cases Handled						
Felony	4,364	3,977	3,765	4,152	3,891	
Misdemeanor	8,873	7,263	6,948	6,932	8,264	
Juvenile						
Criminal	2,473	2,381	2,319	3,304	3,510	
Dependency	1,594	1,558	1,728	1,480	1,578	
PLS & Probate Guardian	511	566	568	629	498	
Superior Court	2,081	2,457	2,013	1,888	2,196	
Other/OSC	537	367	304	413	562	
Sheriff						
Calls for Service						
Priority 1 - Respond immediately	113,845	111,385	107,297	119,675	121,261	123,871
Priority 2 - Respond as soon as possible	57,564	61,021	53,375	57,134	57,634	55,804
Priority 3 - Respond when available	148,816	151,347	147,141	155,548	154,915	156,484
Citations Issued	20,303	21,167	19,864	24,795	21,657	20,026
Crime Reports Processed	31,966	25,838	31,400	31,726	30,607	34,024
Warrants Served	16,359	16,423	15,070	14,175	19,799	7,730
Custody Services						
Bookings - Detention Facility	25,622	25,612	24,683	25,072	25,144	24,955
Bookings - Custody Alternative	3,691	3,873	3,909	4,176	3,874	3,333
Average Daily Population - All Facilities		1,868	1,582	1,673	1,715	1,639
Health and Sanitation						
Health Services						
Mental Health						
Inpatient Average Daily Census	263	294	310	340	333	323
Outpatient Visits	347,760	394,296	418,644	367,476	338,072	300,883
Conservatorship Clients	7,192	7,451	8,119	8,676	8,876	9,176
Alcohol & Other Drugs						
Residential Days	80,057	83,021	86,486	86,854	80,122	77,844
Outpatient Visits	74,139	76,361	77,317	63,183	58,813	64,785
Detention - Average Monthly Inmates	1,756	1,629	1,593	1,632	1,659	1,631

(Continued)

COUNTY OF CONTRA COSTA
OPERATING INDICATORS BY FUNCTION
LAST SIX FISCAL YEARS
(Unaudited)

Function	Fiscal Year Ended June 30					
	2002	2003	2004	2005	2006	2007
Health and Sanitation						
Health Services (Continued)						
Public Health						
AIDS/HIV Tests	3,602	3,624	3,160	2,166	2,784	2,765
Immunizations Given	45,147	48,911	43,505	31,313	27,180	19,926
Senior Nutrition Meals Served	442,604	440,271	438,587	458,333	463,668	452,722
Environmental Health						
Hazardous Material Incident Responses	3,156	2,616	3,336	2,808	3,356	3,248
Environmental Health Inspections	34,776	28,524	32,436	26,160	36,091	38,864
California Child Serves Cases	2,325	2,473	2,565	2,739	2,864	3,054
Homeless Clients in Shelters	477	513	557	635	707	721
Public Assistance						
Community Services						
Number of Children Served (Head Start)	3,272	3,326	3,600	3,427	3,480	3,120
Number of Dwellings Weatherized	na	603	501	310	439	434
Employment and Human Services						
Number of Households Receiving Food Stamps	99,900	103,683	117,657	138,537	151,291	13,741
Welfare Warrants Issued				94,098	100,670	13,046
Welfare Direct Deposit Items				9,041	7,544	
Number of Adult Protective Service Reports	1,396	1,727	1,849	1,508	1,563	1,724
Average Monthly Number of Medi-Cal Beneficiaries	89,946	95,673	101,786	106,760	111,575	111,780
Number of Children Served by Child Welfare	4,493	4,344	4,341	4,033	3,714	3,680
Number of Families Receiving Childrens Services	2,351	2,393	2,411	2,261	2,123	2,100
Average Number of Children in Foster Care	2,323	2,206	2,055	1,523	1,834	1,717
Veteran Services						
Claims/Appeals Filed for the Benefit of Veterans	1,321	1,712	1,803	1,698	1,781	2,639
Interviews	3,663	4,525	5,010	4,964	5,170	5,143
Education						
Library						
Library Visits	2,744,678	3,127,801	3,223,863	3,284,934	3,422,469	3,426,151
Items Circulated	4,036,417	4,253,135	4,522,958	4,736,101	4,929,783	5,428,511
Annual Hours Open	42,712	51,086	51,822	51,555	53,820	55,484
Cooperative Education						
4-H Club Membership	na	900	611	611	847	836
Youth Federal Nutrition Program						3,859
Public Ways and Facilities						
Public Works						
Pavement Condition Index Rating	87	87	87	87	86	88
Flood Control Development Reviews	510	467	502	549	559	552
Land Development Reviews	68	102	81	75	89	79
Service Requests						2,266
Enterprise Activities						
Hospital						
Hospital & Clinics						
Inpatient Days	48,095	48,681	49,465	48,125	49,936	47,026
Outpatient Visits	339,398	376,464	400,332	434,467	421,479	418,236
Health Maintenance Plans						
CCHP M-Cal Plan Enrollees	40,366	41,225	42,238	43,656	42,519	44,744
CCHP Commercial Plan Enrollees	16,805	18,460	20,147	20,188	20,954	21,749
CCHP Major Risk Enrollees	150	229	225	212	134	85

Source: Contra Costa County Departments

(Continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST SIX FISCAL YEARS

(Unaudited)

Function	Fiscal Year Ended June 30					
	2002	2003	2004	2005	2006	2007
Sheriff Training Center						
Law Enforcement Training Academy- LETC						
Number of Students- Academy		139	87	80	72	102
Number of Students- In Service		2,201	1,976	2,587	2,821	2,905
Hours of Instruction- Academy		3,350	1,821	3,053	2,016	2,603
Hours of Instruction- In Service		3,454	2,421	2,505	2,284	2,575
Airport (Calendar Year)						
Aircraft Operations (Take off / Landing)						
Buchanan	143,649	138,572	119,106	128,375	124,102	
Byron (Estimated)	na	na	na	na	60,000	

Source Contra Costa County Departments

(Concluded)

COUNTY OF CONTRA COSTA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST SIX FISCAL YEARS

(Unaudited)

Function	Fiscal Year Ended June 30					
	2002	2003	2004	2005	2006	2007
General Government						
Clerk-Recorder						
DFM Mark-A-Vote System						
Data General Terminal	1	1	1	1		
Card Readers	14	14	14	14		
BCWin Terminal	1	1	1	1		
Election Systems and Software						
M100 Precinct Tally Machines					768	768
AutoMark- ADA Assist Ballot Marking Devices					768	768
M650 High Volume Ballot Scanners					4	4
Public Protection						
Animal Services						
Animal Shelters	2	2	2	2	2	2
Fire Protection Services						
Contra Costa Fire Protection District						
Fire Stations	30	30	30	30	30	30
Fire Engines/Trucks/Other Apparatus	87	88	88	90	92	91
East County Fire Protection District						
Fire Stations					8	8
Fire Engines/Trucks/Other Apparatus					26	25
Probation						
Juvenile Hall - Certified Beds					290	290
Orin Allen Youth Rehabilitation Facility - Certified Beds					100	100
Sheriff						
Square Miles Patrolled	521	521	521	521	521	521
Detention Facilities	3	3	3	3	3	3
Public Ways and Facilities						
Public Works						
Miles of Road Maintained	661	658	659	661	664	664
Miles of Creek/ Channels Maintained	75	75	75	75	75	75
Enterprise Activities						
Hospital						
Hospital	1	1	1	1	1	1
Sheriff Training Center						
Law Enforcement Training Academy- LETC	1	1	1	1	1	1
Airport						
Buchanan	1	1	1	1	1	1
Byron	1	1	1	1	1	1
Education						
Community Libraries	23	23	23	23	24	25

Source: Contra Costa County Departments

COUNTY OF CONTRA COSTA

MISCELLANEOUS STATISTICS

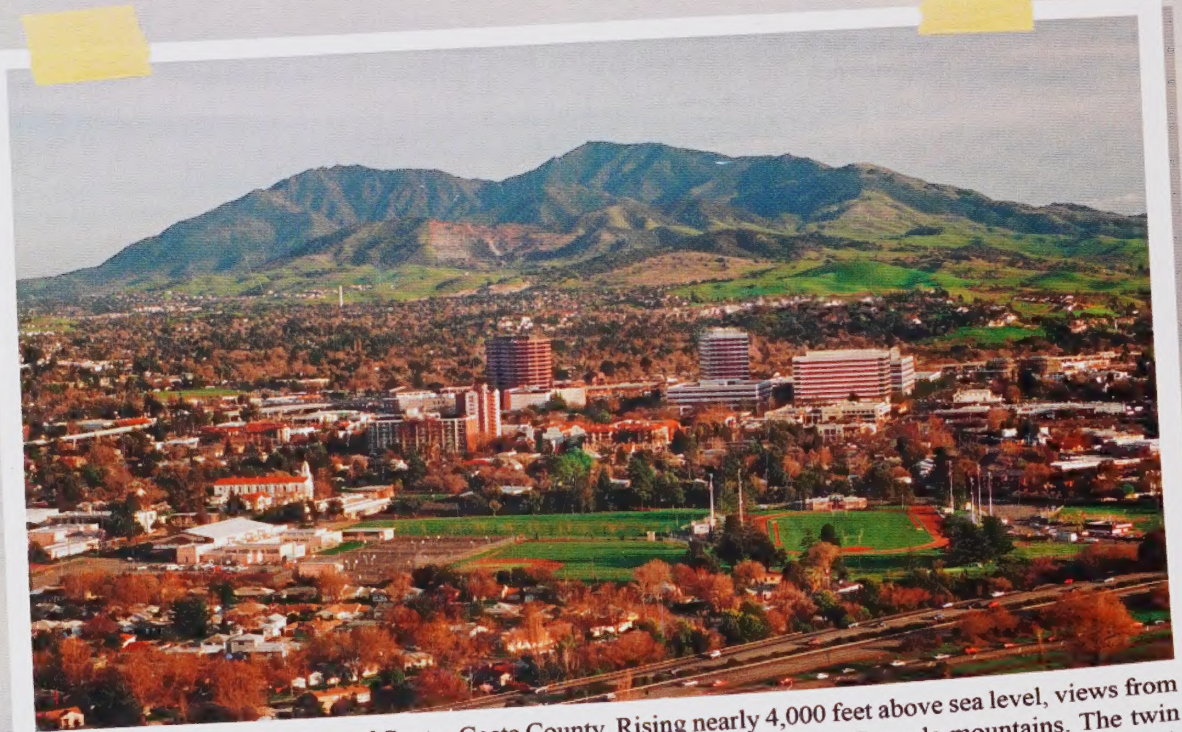
(Unaudited)

GEOGRAPHICAL LOCATION:	Contra Costa County is located near San Francisco in the Bay Area. It is bordered by San Francisco Bay and San Pablo Bay on the west, by Suisun Bay and the Sacramento and San Joaquin Rivers on the north, by the delta country of San Joaquin County on the east and by Alameda County on the south.
ALTITUDE:	Sea level to 3,849 feet
AREA OF COUNTY:	732.6 square miles of land and 73.3 square miles of water.
COUNTY SEAT:	Martinez, California
FORM OF GOVERNMENT:	General Law County, governed by a five member Board of Supervisors. Contra Costa County is one of the original 27 counties established when California became a state in 1850.

Source: County Administrator's Office

	NOVEMBER 7, 2006 DIRECT PRIMARY ELECTION
REGISTERED VOTERS	486,441
NUMBER VOTING	308,206
PERCENT VOTING	63.36%

Source: County Clerk-Recorder Department, Elections Division



Mt. Diablo is the centerpiece of Contra Costa County. Rising nearly 4,000 feet above sea level, views from the top include San Francisco, and on a clear day the Sierra Nevada and Cascade mountains. The twin peaks can be viewed from most of the Bay Area and much of northern California. In the spring, the oak woodlands turn from brown to green, as life seems to explode on the mountain. Commonly seen animals include coyote, bobcat, black-tailed deer, grey foxes and mountain lions. Peregrine Falcons, Bald Eagles, and Golden Eagles can also be spotted. As part of the The State Park System, the area is used for ranching, biking, hiking, camping and rock climbing. Mt. Diablo is featured prominently in the County's Seal.

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